

TODAY'S WEATHER FORECAST - PARIS:
Jan. 3 (41-51). Tomorrow, cloudy.
Jan. 4 (41-51). Tomorrow, dry.
Jan. 5 (41-51). Tomorrow, dry.
Jan. 6 (41-51). Tomorrow, dry.
Jan. 7 (41-51). Tomorrow, dry.
Jan. 8 (41-51). Tomorrow, dry.
Jan. 9 (41-51). Tomorrow, dry.
Jan. 10 (41-51). Tomorrow, dry.
Jan. 11 (41-51). Tomorrow, dry.
Jan. 12 (41-51). Tomorrow, dry.
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Jan. 14 (41-51). Tomorrow, dry.
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Jan. 26 (41-51). Tomorrow, dry.
Jan. 27 (41-51). Tomorrow, dry.
Jan. 28 (41-51). Tomorrow, dry.
Jan. 29 (41-51). Tomorrow, dry.
Jan. 30 (41-51). Tomorrow, dry.
Jan. 31 (41-51). Tomorrow, dry.

INTERNATIONAL Herald Tribune

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SPANISH PREMIER—Carlos Arias Navarro as he was sworn into office at Madrid's Pardo Palace. In the background at right is Chief of State Gen. Francisco Franco.

Arias, Sworn In as Premier, Set to Shuffle Spanish Cabinet

MADRID, Jan. 3 (UPI)—Carlos Arias Navarro was sworn in today as Spain's premier and immediately went about forming his government.

Nurses close to the government said they expected Mr. Arias to reshuffle the outgoing cabinet of the slain premier, Luis Carrero Blanco, and to name many new men. The new cabinet will be announced shortly, and will probably hold its first meeting on Friday, the sources said.

Mr. Arias was sworn in at Gen.issimo Francisco Franco's Pardo Palace in the presence of the 81-year-old Generalissimo, who asked him for the job on Saturday. Mr. Arias, 65, is Spain's youngest premier since the 1936-39 civil war.

Kneeling before a crucifix and uttering his right hand on a Bible, Mr. Arias vowed, in this ceremony, to uphold the principles of the party-like National Movement and the preservation of the secrets of his office.

Former Mayor

Mr. Arias is a former security chief and ex-mayor of Madrid who was elevated from a post of interior minister. The ceremony completed, Premier Arias called on Gen. Franco's son and Prince Juan Carlos, signed by Gen. Franco to head him as chief of state. Mr. Arias started talks on a new cabinet.

Political sources said that Mr. Arias was not expected to retain any members or close associates of the late premier. Mr. Arias is a politically moderate Roman Catholic layman organization, whose members include

Kissinger And Dayan To Confer Meet Tomorrow On Suez Pullback

SAN CLEMENTE, Calif., Jan. 3 (Reuters)—Secretary of State Henry A. Kissinger will confer with Israeli Defense Minister Moshe Dayan in Washington Friday on the outlook for a disengagement of Egyptian and Israeli forces in the Suez region, the White House announced today.

White House officials said the meeting between Mr. Kissinger and Gen. Dayan had been arranged prior to Monday's elections in Israel.

The officials said the two governments had agreed that following the elections, Israel could play a more active role in the Geneva peace talks and that it was important to plan the next stage of the negotiations.

U.S. officials have expressed optimism that agreement can be reached on a mutual troop pullback by the Egyptian and Israeli Armies, thereby opening the way for negotiations on a peace settlement.

A major obstacle to military disengagement is believed to be Israeli insistence that there must be some mutuality in the separation of forces on Egyptian-Israeli front lines.

The original talks at Kilometer 101 on the Cairo-Suez road broke down because of Israeli insistence on some mutuality, on at least a thinning-out of Egyptian forces on the east bank to reduce the chance of a renewed flare-up.

The Jerusalem Post Sunday quoted sources in Geneva as saying they believe that Egypt is likely to agree to reduce considerably its demands to keep three divisions and about 400 tanks on the east bank of the Suez Canal, following an Israeli withdrawal from the west bank of the waterway.

U.S. officials see progress in the progress in the Egyptian-Israeli negotiations, the Arab countries will ease their embargo on oil shipments to the United States.



Hirohito Makes His New Year's Appearance

TOKYO, Jan. 3 (UPI)—Emperor Hirohito made his regular New Year's public appearance today behind a sheet of bulletproof glass on a porch at the Imperial Palace office building. (Photo above).

The 73-year-old emperor was joined by Empress Nagako, 70, and other members of the royal family, including Crown Prince Akihito and Crown Princess Michiko.

Police estimated that 100,000 persons thronged the palace grounds for a look at the man who has been Japan's ceremonial chief of state for 47 years.

Scattered shouts of "Banzai," (long life) arose from the crowd as the emperor led other members of the royal family on his birthday.

The bulletproof glass was installed in January 1969, when a workman in the crowd fired a steel ball at the emperor with a slingshot. It did not hit anyone.

British Jobless Up to 730,000, Talks Blocked

By Terry Roberts

LONDON, Jan. 3 (NYT)—Negotiations to settle the wage disputes involving Britain's coal miners and railroad engineers remained at an impasse today as workers began lining up for unemployment benefits.

The nation appeared to be moving through its first three-day work week without any progress toward resolving the labor difficulties that the government has blamed for imposing the short week on most of industry. The Department of Employment estimated that 730,000 workers had applied for unemployment benefits, up from 644,000 before the New Year's holiday. The total number of jobless and those on short time is expected to approach 15 million if the short week lasts into February.

Hopes had arisen during the holiday that the wage increase could be worked out for the miners through paying the men for the time required to wash up after emerging from the pits and for the time required to reach the coal deposits from the surface.

IRS to Take New Look at Nixon's Taxes To Determine Legality Of Some Deductions

By William L. Claiborne

WASHINGTON, Jan. 3 (UPI)—The Internal Revenue Service said today that it will re-examine President Nixon's recent tax returns to determine the legality of some deductions claimed during the President's White House tenure.

The IRS did not say what years will be covered by the new audit, but there has been controversy over Mr. Nixon's returns for 1970, 1971 and 1972. During those years, he paid taxes of \$5,979 on a total income of more than \$600,000—the equivalent of taxes paid by a person earning about \$17,000 a year.

An IRS spokesman said that the agency could recover past taxes due for all three of those years, but that the statute of limitations has expired for levies due from previous years.

The President's attorneys have estimated that Mr. Nixon owes one as much as \$367,000 in back taxes if the deductions he claimed are disallowed.

In a three-paragraph statement, the IRS said it was conducting the audit because of "questions raised in the press as to the relationship of the consideration of the President's tax returns by the Joint Committee on Internal Revenue Taxation and any consideration of the returns by the Internal Revenue Service."

On Dec. 8, the same day he released a mass of financial data and made public his tax returns for 1969 through 1972, Mr. Nixon asked the joint congressional committee to examine his returns and report on the legality of his deductions. He told committee chairman Wilbur D. Mills, D., Ark., that he would abide by the committee's ruling.

Today's announcement by the IRS was extraordinary because the agency traditionally refuses even to discuss a tax examination in order to way for a specific individual.

However, the IRS said it had been "authorized by the President's representatives" to make the disclosure, and added that the White House staff was "cooperating fully" with federal tax officials and the staff of the joint congressional committee.

An IRS spokesman said that arrangements were being made to exchange information with the joint congressional committee.

White House deputy press secretary Gerald L. Warren, who was in San Clemente with Mr. Nixon today, declined to specify which tax returns were being re-examined, but he indicated that they were limited to the years since the President was inaugurated in 1969.

Solzhenitsyn Book Ridiculed In Ist Official Soviet Comment

MOSCOW, Jan. 3 (AP)—The Soviet news agency Tass today characterized Alexander Solzhenitsyn's new book, "The Gulag Archipelago," as "an anti-Soviet lampoon" which opponents of the regime are using to "fan anti-Soviet hysteria."

In the first official comment on the book's publication in Paris and its serialization in the United States, Tass observed that Solzhenitsyn said that the author sent his book to the West as a New Year's gift for the enemies of his motherland.

The new work of the Nobel Prize-winning novelist has been described as a documented history of the Soviet labor camp system from the Bolshevik Revolution to 1956. Mr. Solzhenitsyn, a camp victim under Stalin, interviewed more than 200 other former labor camp inmates in preparing the work.

In what must have been intended as irony, the Tass commentator referred to "The Gulag Archipelago" as a novel.

Tass said that Mr. Solzhenitsyn "again repeats the old theme of his 'creative lies': the camps of the postwar years and the network of secret service which allegedly spread through the country, persecution of the intellectuals, confinement of dissidents in mental hospitals and the ungrounded slander of the Soviet people."

No Counter-Attack

Nowhere in the commentary did Tass make an attempt to counter directly the accusations compiled in Mr. Solzhenitsyn's book.

During a brief period under Nikita Khrushchev's party and government leadership, there was (Continued on Page 2, Col. 3)

After Egyptian, Israeli Generals Meet Geneva Reaches 'Important Stage'

GENEVA, Jan. 3 (UPI)—Egypt and Israel said today they have reached "an important stage" in their negotiations on separating their respective armies at the Suez Canal front.

"An important stage has been reached in the discussions with both sides continuing their exchange of views," a brief statement said after army generals from both countries met for two hours and 50 minutes.

"The next meeting will be convened on Friday, Jan. 4 at 4 p.m.," the statement concluded.

Egyptian, Israeli and United Nations officials refused to give any further details according to an earlier agreement to keep the troop disengagement talks completely secret.

Third Meeting

Today's meeting, the third of the military working group established by the foreign ministers at the Middle East peace conference Dec. 21 and 22, was the longest.

The first, on Dec. 26, lasted one hour and 38 minutes and the second, on Dec. 28, lasted two hours and 10 minutes.

There was then a four-day recess for the Israeli elections, during which time the chief negotiators—Gen. Tahar Magdoub of Egypt and Gen. Mordechai Gur of Israel—returned to their capitals for consultations and to receive fresh instructions.

Gen. Ensis Sillasvuo of Finland, the neutral chairman, also held talks in Cairo and Israel during the recess.

Egyptian sources said they did not believe the shift to the right in the Israeli elections would hinder progress on the disengagement issue, which was given first priority by foreign ministers at the start of the talks.

Conference officials said the speed of progress could well depend on the trip to Washington this week by Israeli Defense Minister Moshe Dayan and the trip to Moscow by Egyptian Foreign Minister Ismail Fahmy.

Today's meeting between the generals was delayed by one hour for "technical reasons" which were not spelled out by UN spokesmen.

Conference sources said the working group was for the time being restricting itself to broad principles rather than to the more political problems of how far each side's forces should withdraw.

Arab diplomats said Egypt wants Israel to move back behind the strategic Sinai passes with Egyptian troops remaining on the east bank of the canal.

Israel, Israeli sources said, wants Egyptian troops back on the west bank but might agree to withdraw its forces from the west bank to the eastern side, and out of artillery range of the canal.

Britain Holds Five Persons In Probe of Arab Arms Ring

From Wire Dispatches

LONDON, Jan. 3.—Scotland Yard said today that it was holding five persons—including an American woman carrying automatic pistols and ammunition—in a suspected international ring which the British Press Association said was believed to be after prominent Zionists.

Scotland Yard said that two of them were detained Saturday. They were identified as an 18-year-old American woman who arrived on a flight from Los Angeles and a Moroccan man who allegedly contacted on an airport bus.

Customs officials found five automatic pistols and 150 rounds of ammunition hidden in the woman's baggage, police said.

A third suspect, a Pakistani man, was arrested Monday when he arrived from Los Angeles.

Brother, Also

Police sources said that counter-espionage officers last Thursday also arrested the brother of the American woman when he arrived on a flight from the United States. They said that both are believed to have links with Moroccan living in the United States.

The sources said that a second Arab was also being detained, bringing the total to five.

The press association said that the woman was thought to be a courier for an Arab group ordered to attack Jews in Britain.

Millionaire businessman Joseph Seltz, a prominent Zionist and president of the Marks & Spencer stores, was shot at his North London home Sunday night by a masked person. He was removed from intensive care yesterday, and a hospital spokesman said he was doing well.

The Marxist Popular Front for the Liberation of Palestine claimed responsibility for the attack and warned of a "death list of leading British Jews."

Maximum Alert

The government has ordered a maximum alert at airports throughout the country in response to reports that more than 30 Arab gunmen were en route to Britain. All passengers traveling on Arab passports were being closely watched and searched if they behaved suspiciously, a police spokesman said. Diplomatic bags arriving from the Middle East also were scrutinized.

The police sources said that counter-espionage officers were forewarned of the arrival of the American woman and were waiting for her at the airport. The FBI is assisting in the case, they said.

The sources said that several Arabs with suspicious documents entered Britain during the Christmas holidays amid indications that an Arab arms center was being created in London for European operations.

Scheel, Raising Voice for German Charity, Scores a Hit

By John M. Goshko

BONN, Jan. 3 (UPI)—West German Foreign Minister Walter Scheel has literally started the new year on a high note, becoming the country's newest singing sensation.

For almost a month, the hottest selling record in West Germany has been Mr. Scheel's mellow tenor rendition of an old German folk song, "Hoch Auf dem Galben Wagon" ("High Up on the Yellow Wagon").

The record's success has caused the press to dub him the "Meistersinger" minister, and it has made the 44-year-old Mr. Scheel an improbable hero to German teenagers who know their pop stars far better than their politicians.

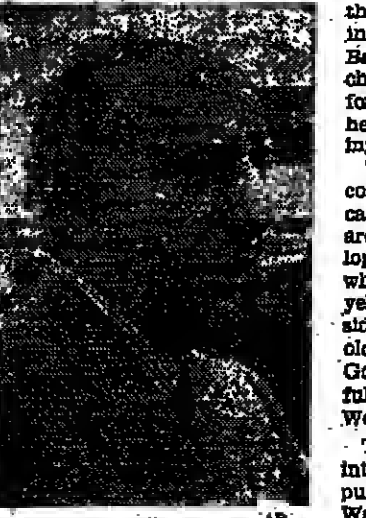
Their parents may think of Mr. Scheel as the man who's asked to become West Germany's new president later this year. But, in teen-age circles, he's more identifiable as the fellow who, for the last three weeks, has held the number one spot on Radio Luxembourg's hit parade.

It all happened because a young recording impresario, Dirk C. Tellen, had the idea of asking a prominent government leader to record a disc as part of a drive to raise funds for handicapped children.

Amateur Singer

The obvious first choice was Mr. Scheel, leader of the Liberal Free Democratic party within Chancellor Willy Brandt's government coalition. For years, he has been known as an enthusiastic amateur singer and the most unimpeachable of German politicians.

Most of Mr. Scheel's advisers within his political party and the Foreign Ministry reportedly were horrified by the idea. They objected that such a step would



Walter Scheel

the objections aside and plunged into the project with relish. Backed by a Düsseldorf men's chorus, with which he sang before becoming foreign minister, he took the solo part in a pressing of the "Yellow Wagon."

The title refers to the yellow coaches used in old Germany to carry the mail, and the lyrics are a hymn to the joys of galloping across the countryside while perched "high up on the yellow wagon." For the flip side, Mr. Scheel chose a popular old song called "Wohlauf in Gottes Schöner Welt" ("Cheerfully Through God's Beautiful World").

Three weeks ago, Mr. Scheel introduced the record to the public by singing the "Yellow Wagon" on a popular TV program. To the surprise of everyone concerned, it became an overnight sensation.

Spokesman for Polydor, the company that produced the record, report that sales already

have topped 100,000. In fact, they add, sales would have been much higher except that the initial pressing was relatively small and insufficient to meet the demand. Now, with production being hastily increased, industry sources speculate that the record could become a "golden disc" with sales of a million.

Financially, that won't mean anything to Mr. Scheel, since all the proceeds are earmarked for charity. But, as his political rivals concede, the record has given an incalculable boost to his popularity with the public.

A recent public opinion poll showed him passing Mr. Brandt and everyone else on the Bonn scene as West Germany's most popular political figure. However, no one has been able to substantiate the rumor that, when Mr. Scheel heard the news, he replied: "Well, that's show business."

Charles E. Bohlen Dies, 69; U.S. Diplomat, Soviet Expert



Charles E. Bohlen

WASHINGTON, Jan. 3 (UPI)—Retired U.S. diplomat Charles E. Bohlen, 69, died last night of cancer.

Mr. Bohlen, a specialist on Soviet affairs, spent more than 40 years as a U.S. diplomat and State Department official before his retirement in 1969. He died at Washington Hospital Center after a long illness, his doctor said.

President Nixon, in a statement issued at the Western White House, described Mr. Bohlen as "one of our most distinguished diplomats and a truly outstanding public servant."

Mr. Nixon said that Mr. Bohlen's many years of service to the United States and his intimate knowledge of the Soviet Union and his sure grasp of world affairs,

News Analysis

Morning After Israeli Election Finds Meir Party Chastened

By Terence Smith

TEL AVIV, Jan. 2 (NYT).—The Labor party today is like a person who has come through a terrible automobile accident with only a broken arm. A senior party official observed, "It hurts, but it's not fatal and with a little luck, it will mend."

The simile aptly describes the situation of Premier Golda Meir's party on the morning after Israel's hard-fought parliamentary election. The party has emerged from the experience still in power, but chastened by a significant protest vote over its handling of the October war and keenly aware that its room for maneuver at the Geneva peace conference has been narrowed.

Mrs. Meir and her colleagues now face the unappealing task of forming a new coalition government in which Labor's own strength will be critically diminished by 10 percent, and the strength of its fractious minority partners, especially the National Religious party, correspondingly increased.

It will not be easy. The Religious party, which represents the religious minority in Israel, has again emerged as the key to a successful coalition, and is likely to be the deciding factor in the state by laying down a long list of conditions on domestic and foreign policy.

Historical Land
It will be pressing Labor to strengthen the hand of the rabbinic at home and to agree in advance to resist territorial concessions at Geneva, especially any involving the occupied West Bank of the Jordan River. The religious minority regards this area as an integral part of the historic land of Israel and opposes returning any of it to Jordan, even as part of a peace agreement.

On another side, Labor will have to take into consideration the views of the Independent Liberal party, which are diametrically opposed to those of the Religious. The Independent Liberals are expected to emerge with four to five seats, and Labor will need them even more than it did in the outgoing coalition. Labor has resolved equally contradictory positions in earlier governments, including the present one. But the task will be tougher now that its own plurality has been reduced. At least a month of difficult negotiations, perhaps more, lie ahead. The possibility that new elections will be necessary, not immediately, but in several months, when the crunch comes at Geneva, cannot be ruled out.

Nevertheless, a government led by Labor is likely to have enough latitude to resume active negotiations in Geneva, especially with the Egyptians. Not even the Religious party attaches any historical significance to the Sinai Peninsula, so the government will be free to negotiate a disengagement of forces and conceivably even a territorial settlement there on the basis of compromise.

Later Stages
The problems will develop in the later stages of the talks, over the West Bank, Jerusalem and the Golan Heights.

In domestic political terms, the elections had the paradoxical effect of strengthening the positions of Mrs. Meir and Defense Minister Moshe Dayan, two of the leaders most criticized for the country's failure to force and adequately prepare for this October war.

Labor's shrunken plurality has made the unifying role of the 75-year-old premier more vital than ever. Any younger member of

the party who tries to challenge her now will run the risk of dividing the party—something it clearly cannot afford.

Gen. Dayan is likely to continue in his job as well, not because the party rank-and-file necessarily want him to, but because they cannot afford to do without his participation and that of the half-dozen Knesset members who would leave with him if he were to bolt the party now and join the opposition.

The outcome was a disappointment for Likud, the right-wing opposition group that stood to gain the most from the widespread dissatisfaction with the performance of the Labor leadership.

Likud picked up significant strength, but its backers had hoped for more.

"If we couldn't defeat Labor this time, with all we had going for us," a young party official asked rhetorically, "will we ever?"

Counting Continues

From Wire Dispatches
JERUSALEM, Jan. 2.—Officials were still counting votes today from Israel's Dec. 31 elections. Jerusalem's Mayor Teddy Kollek, returned to office by a reduced majority, said today that he was thinking of quitting the job unless he was given authority to continue his policy of "tolerance" between Arabs and Jews in the holy city.

Mr. Kollek said the Jordanian Arabs who voted in the election—about 5,000 of the 43,000 eligible—were "all heroes. They voted under terrible pressure from Radio Cairo and Radio Amman to boycott the polls."

A provisional summary of the civilian vote by the Central Elections Committee showed the Labor party won 33.8 percent, against 28.6 percent for the Likud party. About 200,000 military ballots have yet to be tallied.

According to election projections, the Labor party may lose five seats in the 120-member Knesset, dropping from 55 to 50, and the Likud apparently gained six seats, giving it a total of 38. The Religious party appears to have kept its 11 seats and the Independent Liberals may garner four or five seats. They had four in the last Knesset. If the totals hold up, the three parties which formed the ruling coalition in the seventh Knesset since the formation of the state of Israel 25 years ago would have 66 or 67 seats in the eighth Knesset.

Cairo Comment

CAIRO, Jan. 2 (NYT).—Egypt's editorial writers and political commentators stressed today that negotiations for a Middle East settlement must be undertaken on a basis of "equality." The Egyptian press now that Israel's elections have been held. "We don't care who wins and who loses," declared Aly Hamdy el-Gammal in the Cairo daily newspaper Al-Ahram, echoing the view of many Egyptians.

"The important thing is that the new Israeli government should know the practical way to peace. The electoral auction is now over and the new government should face the facts." An editorial in Al-Ahram asserted that Israel had used the elections as a "pretext" to delay talks.

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FESTIVAL FAVORITE—A Russian family bundles up for one of the favorite New Year's treats in Moscow's annual Russian Winter Festival—a free ride aboard a gaily-painted troika—a traditional Russian three-horse open sleigh.

Tass Ridicules Solzhenitsyn Book

(Continued from Page 1)

public discussion of the "abuses" of the camp system by Stalin.

After Mr. Khrushchev's famous de-Stalinization speech of 1956, these "errors" were condemned and a thaw, which meant the release and rehabilitation of thousands of camp victims, prevailed for a time.

During the thaw in 1962, Mr. Solzhenitsyn was allowed to publish his novel on the camps, "One Day in the Life of Ivan Denisovich," but soon afterward discussion of the "errors" diminished.

Tass said that Mr. Solzhenitsyn "slandered" his manuscript abroad because he "knew in advance that the Soviet people would reject his new book."

A Moslem Summit Scheduled By Pakistan Is Still in Doubt

By Lewis M. Simons

LAHORE, Pakistan, Jan. 2 (UPI).—Plans for a summit conference of Islamic states to be held here this winter are making slow and uneasy progress.

After announcing and then canceling dates for December and January, Pakistani Premier Zulfikar Ali Bhutto recently declared the conference will begin Feb. 22. But some observers are less than convinced that the meeting will come off then, or at all.

Several key, and notably moderate, Islamic nations are known to be questioning whether a Moslem summit is a good idea at a time when the Arabs and the West are at loggerheads.

According to a Pakistani source, if further snags are encountered, Bhutto will have to scrap the idea completely. "We're praying he brings it off, though," the source said, providing an insight into official anxiety over the summit.

United Islam
Mr. Bhutto's professed reason for wanting to hold the conference now is to declare united Islamic support for the Arab cause. From a Pakistani viewpoint, however, he would like to capitalize on an Islamic summit in his country to build relations with the Middle East.

Following the loss of East Pakistan in 1971, Mr. Bhutto has been turning increasingly from South Asia to the Persian Gulf and the rest of the region. "We share a border with Iran," noted a Lahore newspaper editor, "and for all intents and purposes we are now a Middle East nation."

But, while Mr. Bhutto has built excellent relations with Iran, the shah is understood to consider the proposed session "senseless," according to informed sources. Turkey has expressed a lack of enthusiasm, partly because of its own difficulties in forming a new government, which is one of the world's largest Moslem nations, has reportedly accepted an invitation "in principle," but President Suharto is not likely to attend.

Malaysia, whose former prime

Minister, Tun Abdul Rahman, is head of the World Islamic Summit Conference, is also reluctant. Iraq, Yemen and Libya, which did not attend the Arab summit in Algiers last month, will probably not come to Lahore if the conference takes place.

Local newspapers report that 26 nations have accepted invitations to attend. This invitation, despite reports to the contrary, Relations between the two countries have been chilly since the Afghan military coup in July.

Mr. Bhutto said recently that he intended to invite Sheikh Mujibur Rahman, Premier of Bangladesh, to attend. This invitation, Mr. Bhutto said, would amount to de facto recognition of Bangladesh, formerly East Pakistan, as a sovereign nation.

Electricity Is Cut 20% in Sweden

STOCKHOLM, Jan. 2 (Reuters).—A government order to cut electricity consumption by 20 percent went into effect in Sweden early today.

Street lighting has been turned down by 50 percent, window display lighting has been limited to working hours, and all electrical advertising signs have been banned under the government decision to ration electricity, made two weeks ago.

The electricity rationing is part of a program of rationing of oil, gas and warm water. Deliveries of domestic heating oil were cut by 25 percent last month, and gas and warm water rationing will begin next week.

Russians Allowed 34,750 Jews To Leave Country Last Year

MOSCOW, Jan. 2 (UPI).—Soviet authorities allowed a record number of 34,750 Jews to emigrate last year, fulfilling party leader Leonid I. Brezhnev's pledge to Congress, diplomats said today.

The previous high was 31,500 in 1972. The increase in emigration coincided with reports from Jewish sources that secret police have intensified pressure on many Jews seeking to go to Israel.

They said that several dozen Jews, including ballet dancer Valery Panov, have been threatened by the secret police with imprisonment for having no visible means of support.

All Jews applying to emigrate automatically lose their jobs and Mr. Panov was not worked for two years. Authorities recently offered to let him emigrate without his non-Jewish wife.

Promise to Congress
Mr. Brezhnev, the Communist party general secretary, promised a congressional group during his

visit to the United States last June that Jewish emigration for the year would exceed the 1972 figure.

Mr. Brezhnev made his promise as the Soviet Union was trying to block congressional passage of an amendment to deny trade and domestic heating oil were cut by 25 percent last month, and gas and warm water rationing will begin next week.

The amendment, opposed also by the Nixon administration, has been adopted by the House of Representatives and is awaiting Senate action.

Emigration ran at above-average levels through the last four months of 1973 in what diplomats saw as a determined bid by the Russians to fulfill the Brezhnev pledge. The highest figure for any one month, 4,200, came during October, the month of the Middle East war, which was going on at the time.

Diplomats said that about 3,050 Jews were given exit visas last month, down slightly from November figure of 3,900.

Libya Applies Price
BEIRUT, Jan. 2 (UPI).—Libya today began applying the new posted price for its crude oil, but Libyan Premier Maj. Abdel Salam Jiloud said he believed the new price did not reflect the real price of oil in the world market.

The Libyan government yesterday announced the posted price of its crude oil was being raised to \$18.788 from \$18.525 per barrel (\$5 gallons).

Maj. Jiloud said the going market price of oil in the world market ranged between \$20 and \$25 a barrel, the Libyan news agency reported.

Quintuplets in Berlin
BERLIN, Jan. 2 (AP).—The 30-year-old wife of a member of the West Berlin City Council gave birth Dec. 29 to quintuplets. Three of them are still living.

They were delivered by caesarian section to Angelika Rasch, whose husband, Walter, is vice-chairman of the Free Democratic party's members on the council.

Cutting the Generals Down to Size

Chinese Leadership Shuffles Regional Military Commands

By Tillman Durdin

HONG KONG, Jan. 2 (NYT).—In a move of major political import, the Chinese Communist leadership has put into effect a sweeping reshuffle of positions among top military leaders in China, a dispatch from Hsinhua, the Peking official press agency, revealed this morning.

Most significant among the transfers were: Hui Shih-yu, since 1964 commander of the Nanjing Military Region, embracing the east China provinces of Jiangsu, Chekiang and Anhwei and the special municipality of Shanghai, to the command of the Canton Military Region, taking in Kwangtung, Kwangsi and Hunan. His transfer was reported in today's editions of the International Herald Tribune.

Chen Hsi-ten, commander of the Shenyang Military Region, embracing all Manchuria, to the command of the Peking Military Region, taking in the capital, a special municipality and nine inner Mongolia.

Tseng Shu-yu, commander of the Wuhan Military Region, encompassing Hubei and Homan, to the command of the Tientsin Military Region, controlling Shan-tung.

Ting Sheng, commander of Canton, to become chief of the Nanjing region.

Li Teh-sheng, director of the Political Department of the Armed Forces, to be in command of the Lanzhou Military Region, taking in Kansu, Shensi, Ninghsia and Chinghai.

Two in Politics
The most important of the shifts were those of Gen. Hui from Nanjing and Gen. Chen from Shenyang. Both of these powerful regional military men are members of the Politburo and have exercised wide influence in their areas for many years.

The shifts, which besides those of major figures included dozens of other important transfers, appeared to be part of the process by the Chinese Communist party leadership to trim down the importance of the military hierarchy, make it more amenable to civilian party control in Peking and break up entrenched power positions held by many leaders in many parts of the country.

Hsinhua revealed the transfers in the process of reporting what was called "get-togethers" between the army and the people in various provinces, municipalities and autonomous regions on New Year's Eve. The "get-togethers" indicated the transfers have already taken their new positions.

Political Commissars
Among the important appointments was that of Chai Feng-kuei, a member of the Politburo, as first political commissar of the Peking Military Region.

Wei Kuo-ching, a Politburo member and boss of Kwangsi Province for many years, was named first political commissar of the Canton region.

The sweeping shifts also were in line with leadership efforts to dispense the power of the faction headed by Lin Biao, for many years defense minister, party deputy to Mao Tse-tung and his chosen successor, who turned against chairman Mao in 1971 and, after being exposed in an alleged attempt to assassinate him, reportedly died in a plane crash in Mongolia while trying to escape to Russia.

Lin Piao Faction
Since the Lin incident the Peking leadership has redoubled efforts to retrain much of the special power that fell to the military during the Cultural Revolution and particularly to purge or demote from key positions throughout the country members of the Lin faction.

Truce Breaches Decrease Along Lines in Mideast
CAIRO, Jan. 2 (NYT).—The number of shooting incidents along the Egyptian-Israeli ceasefire lines fell to 41 Monday from 73 the day before, the UN Emergency Force reported today.

The fighting on Monday included an artillery duel that lasted more than three hours about six miles southeast of Qantara, in the Sinai, east of the Suez Canal.

With Israel's elections completed and preparations under way for continuing talks at the Geneva peace conference, there is expectation here that military pressures on the front may ease for the time being.

Reports of violations are issued here two days after they are sent to UN headquarters.

Golan Heights Clash
DAMASCUS, Jan. 2 (AP).—Syrian and Israeli forces in the Golan Heights clashed twice today with machine guns and artillery, a Syrian military communiqué reported. One Israeli soldier was shot and several engineering vehicles were destroyed, it said.

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They were delivered by caesarian section to Angelika Rasch, whose husband, Walter, is vice-chairman of the Free Democratic party's members on the council.

Earthquake Rocks North Chile; 3 Hurt
CALAMA, Chile, Jan. 2 (AP).—An earthquake rocked northern Chile this morning. First reports said some buildings were destroyed and three persons injured in this city of 42,000.

At Chuquibambilla, the world's largest open-pit copper mine, the tremor sent so much dust billowing into the air that work was suspended for about an hour. No injuries were reported. The quake measured six to eight on the Richter scale.

Kuwait Won't Extradite 5 Terrorists to Italy
ROME, Jan. 2 (UPI).—The government of Kuwait has refused to extradite to Italy five Arab commanders who killed 22 persons in the Rome airport massacre Dec. 17, the Foreign Ministry said today.

It said Kuwait expressed regret over the killings but said it could not turn over the men to the Italian courts because the attack was political.

Muscle Power

For the Birds

BRUSSELS, Jan. 2 (AP).—A Belgian doctor who is also a flying instructor was injured yesterday when his home-built muscle-powered airplane crashed during its brief maiden flight.

Renzy Van Brussel suffered a skull fracture in the accident at the small St. Denis-Western airport near Ghent, north of Brussels.

Mr. Van Brussel's aircraft, an aluminum and plastic assembly powered through a pedal-driven air screw, was airborne for about 50 yards and flying at an altitude of about 12 feet when it suddenly somersaulted and crashed on a concrete runway. The aircraft was a total wreck.

Indian Police Slay 6 Rioters; Shoes Hurlled at Mrs. Gandhi

From Wire Dispatches

NEW DELHI, Jan. 2.—In two separate incidents, police shot dead six persons, and Prime Minister Indira Gandhi was forced to abandon a speech today after a crowd threw shoes at her during a one-day general strike in the western Indian state of Maharashtra.

A police spokesman said rioting broke out in Ward about 375 miles east of Bombay, the Maharashtra state capital, after an independent member of the state assembly and some followers were arrested for obstructing state buses.

The spokesman said the rioters, demanding the release of the men, set fire to a police motorcycle, ransacked houses and attempted to burn a local government official's house.

Police tried to disperse the rioters with billy-club charges before opening fire, he said. Six persons were killed and three wounded.

Shoes Are Thrown

Mrs. Gandhi cut short a public meeting in Nagpur, 400 miles east of Bombay, when the crowd began throwing shoes at her.

Trouble erupted when Mrs. Gandhi referred to food shortages, the general economic situation and the oil crisis—key issues of the strike called by a joint action committee of several left-wing parties and trade unions to protest against government failure to check rising prices.

The strikers urged the government to cut prices by 25 percent and to increase grain subsidies. Mrs. Gandhi's speech, scheduled for 70 minutes, lasted only 17 minutes. The Press Trust of India.

Germans Fear Layoffs
SAARLOUIS, West Germany, Jan. 2 (Reuters).—The three-day working week in Britain may mean five days of work without pay this month for 30 West German car workers held Ford of West Germany said today.

A spokesman said the company was planning to sell about 15 cars in the Gulf of Mexico and to report for work from Jan. 18 because of expectations that vital supplies to the plant in Britain would be affected. If small Escort car produced here built with engines and parts supplied by Ford of Britain, a spokesman said.

Rhodesia Starts Campaign for Million Settlers
SALISBURY, Jan. 2 (UPI).—Rhodesia has launched a campaign to attract a million new settlers by advertisements in local newspapers saying, "Rhodesia Needs Immigrants."

The campaign, called "Settlers '74," asks Rhodesians to submit the names of friends, relatives, pen pals or anyone else they know to Rhodesia's white minority authorities, who will send them booklets and information about Rhodesia.

The advertisements say, "We need immigrants and we need them now. Give us the names and addresses of anyone who could be a prospective immigrant in Britain, or anywhere overseas, and we'll do the rest."

The latest official figures show that Rhodesian immigration has been falling steadily in the past year.

Between January and November last year, Rhodesia attracted 9,955 immigrants, compared with 13,005 the previous year. Immigration dropped sharply to 6,618 after Rhodesia seized independence in 1965, but climbed steadily afterward. The figure during 1970, 1971 and 1972 hovered at the 12,000 mark.

The number of people leaving the country has increased in the past year, offsetting the immigration gain.

Earthquake Rocks North Chile; 3 Hurt
CALAMA, Chile, Jan. 2 (AP).—An earthquake rocked northern Chile this morning. First reports said some buildings were destroyed and three persons injured in this city of 42,000.

At Chuquibambilla, the world's largest open-pit copper mine, the tremor sent so much dust billowing into the air that work was suspended for about an hour. No injuries were reported. The quake measured six to eight on the Richter scale.

Wisconsin Economists Report

Test of Negative Income Tax In U.S. Is Qualified Success

By Sonia S. Golden

NEW YORK, Jan. 2 (NYT).—University of Wisconsin economists have reported that a six-year experiment with the negative income tax has been a qualified success.

Hundreds of poor workers in New Jersey and Pennsylvania were given direct cash grants in the experiment, but not cut back their individual work efforts significantly. Instead, they used the government grant to supplement their own low earnings and kept on working.

Until the experimenters, headed by Prof. Harold Watts, reported their results this week at the American Economic Association's annual convention, opponents of the negative tax had argued that the poor would quit or reduce their work effort to compensate for any government income supplement or guarantee.

Now, said Prof. Watts, "we suggest that the burden of proof has been shifted" from the advocates to the critics of the negative tax.

Results of the tests, sponsored by the Office of Economic Opportunity, were turned over last month to the Department of Health, Education and Welfare, where planners are preparing a new welfare-reform proposal for possible inclusion in the President's State of the Union message this month.

The experiment, which handed out various amounts of money to some 700 families for a three-year period, indicated that poor people—black, white and Spanish-speaking—show almost no change in work habits when they are given a small amount of extra money. The amount was varied, with eight different negative tax schemes tried on different groups of participants.

The job behavior of the subsidized workers was compared with control groups of poor persons who have the same racial and family characteristics. The results, which Prof. Watts says will need further refining, showed no major differences in work behavior between the control groups and the subsidized workers.

The negative tax plan works this way: The government pays a subsidy to any family or individual whose income falls under a certain poverty threshold. As the family earns its own income, the subsidy is reduced by a certain percentage (called the tax rate) of every dollar earned. At some break-even point, the entire subsidy disappears and the family is on its own.

In the University of Wisconsin tests the minimum income guarantee was based on the official poverty line, now set by the government at about \$4,100 a year for a family of four. The experiment used guarantees from 50 percent to 125 percent of that poverty line.

The other variable in the test was the tax rate at which the subsidy was siphoned off when family earnings went up. The experimenters used rates of 30, 50 and 70 percent. By juggling these variables, the analysts were able to test eight negative tax plans. And in none of them was there any particular distortion of work effort.

Meanwhile, the Air Transport Association said the nation's airlines carried 23 million passengers in 1973, more than in any previous year.

Airline accidents claimed 209 lives in 1973, compared to 190 in 1972. But the ATA said 1973 was the 23d consecutive year in which the passenger fatality rate per 100 million miles flown was below 1.0.

Under the speed-limit law, states will lose all federal highway funds unless they adopt 55-mile limits within 60 days. The President had proposed a speed limit of 50 mph for cars and 55 mph for trucks, but Congress settled upon a uniform 55 mph limit.

Mr. Nixon said in a statement: "I have been gratified and encouraged by the number of states which have already voluntarily reduced their speed limits in accordance with my request. . . . Estimates indicate that we can save nearly 200,000 barrels of fuel a day by observing a national limit of 55 miles per hour."

In another statement, Mr. Nixon said he considered some of the rail subsidies to be higher than they should be. However, he termed the reorganization law "an important turning point in the history of America's railroad industry" and commended Congress "for passing such responsible legislation."

The measure sets up a United States Railway Association, a nonprofit government corporation, to borrow the \$1.5 billion to set up a new rail network under a privately operated company called the Consolidated Rail Corp., which will have 17,000 miles of track out of the 26,000 miles served by the seven financially hard-pressed lines is expected to be abandoned. The measure restructures the Penn Central, Central of New Jersey, Lehigh Valley, Reading, Erie-Lackawanna, Boston and Maine and Ann Arbor railroads into the trimmed-down system.

To protect employees, the bill provides for displacement allowances which, under some circumstances, would guarantee a worker a check until his 65th birthday.

Pompidou, Algerian Delay Their Meeting

PARIS, Jan. 2 (Reuters).—A meeting of President Georges Pompidou and Algerian Foreign Minister Abdelaziz Bouteflika was canceled at the last minute today.

An Elysee Palace spokesman said it was called off until next week by common consent because the French leader's heavy work schedule today. The meeting was to discuss future relations, ranging from the some-what precarious conditions of Algerians in France to the energy crisis and the Middle East situation.

President's Brother 'Paid to Do Nothing'

WASH., Jan. 2 (AP).—President Nixon's sister-in-law, Mrs. Edward Nixon, says that while her husband is "off being paid to do nothing," she has to teach school and raise two children.

"While he's off being paid to do nothing, I'm here alone. I'm trying to teach school and I've got two kids and let me tell you, it's tough," she told newsmen checking reports that her husband was paid a \$21,000 consultant's fee to find out where the Nixon family wants a presidential library built.

Leonard Firestone, head of a tax-exempt foundation formed by friends of the President to build the library, confirmed Monday Los Angeles that Edward Nixon was a paid consultant.

Edward Nixon, 42, lives in Alderwood Manor, a Seattle suburb. He could not be reached for comment.

"An invasion of privacy" is how Mrs. Nixon described the story of her husband's consultant fee. She held out a hammer and said she felt "like taking this thing and knocking down our newspaper boxes so I won't have to read some of the things they write."

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REAL ESTATE BOOM—Landmark building in Kalamazoo, Mich., being demolished on Monday. It took just five seconds for the ten-story building to become rubble.

Shrine in New Mexico Works 'Miracles' With Its 'Holy Dirt'

By Charles Hillinger

CHIMAYO, N.M., Jan. 2.—They come to this tiny mountain village from all over America—the sick, the afflicted, the dying—all praying for miraculous cures.

They come to scoop up and carry away the "holy dirt" from a hole in the floor of an anteroom of the tiny adobe chapel El Santuario de Chimayo.

Soma hobbles in on crutches. Others arrive in wheelchairs or on stretchers.

Hundreds of people swear they feel better. Scores each year claim they are cured after rubbing the "holy dirt" on diseased or crippled areas of their bodies or after swallowing small portions of it.

The chapel walls are cluttered with crutches, with canes, with letters of thanksgiving attesting to the alleged curative powers of the dirt dug out of the ground inside the chapel.

Hunt Released Pending Appeal

LEWISBURG, Pa., Jan. 2 (AP).—Westergate conspirator E. Howard Hunt was released from a federal prison today pending the outcome of an appeal filed in Washington.

Hunt, 54, was sentenced Nov. 9 to serve 2 1/2 to 3 years in prison. He pleaded guilty last January to six counts of conspiracy, burglary and wiretapping in connection with the break-in June 1, 1972, at the Democratic National Headquarters in the Watergate building.

A federal appeals court in Washington Friday ordered that Hunt and a second Westergate defendant, Bernard L. Barker, be released until the court acts on their appeals.

Mrs. Nixon Loses Appointment On Relatively Legalistic Basis

SAN CLEMENTE, Calif., Jan. 2.—President Nixon's appointment of his wife to serve on a national advisory council was illegal, the Western White House said yesterday.

A presidential spokesman said that U.S. law prohibits the president from appointing a relative to a government position and therefore, Mrs. Nixon cannot serve on the new 25-member National Voluntary Service Advisory Council.

In announcing the appointment on Sunday, the White House said that the First Lady had been designated by Mr. Nixon as temporary chairwoman of the council.

"Because of Mrs. Nixon's great interest in volunteerism and the new council, it was hoped that Mrs. Nixon would serve in this position," the White House correction said. "Due to an administrative error, the announcement was made before all legal and other checks were made."

Deputy Press Secretary Gerald L. Warren said today, "The error is completely minor. Mrs. Nixon never discussed becoming a member of the council. Mr. Warren said, and the President was unaware of the announcement until after it was made. He had never signed anything. . . . nothing bad came across his desk on it," Mr. Warren said. "The matter never came before him."

Until the council meets to elect a permanent head, Mr. Nixon is designating Frank D. Stella of Detroit, president of F. D. Stella Products Co., to serve as temporary chairman.

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Ireland to Try IRA Accused of Crimes in North

By Charles Hillinger

DUBLIN, Jan. 2 (Reuters).—The government announced today that members of the outlawed Irish Republican Army wanted for murder in Northern Ireland can be tried for the offense here.

This means that IRA men will no longer be able to seek refuge in the republic. But the legislation will not be retroactive and those people at present fighting in Northern Ireland will not be affected.

Two days ago Premier Liam Cosgrave hinted at his determination to deal with the IRA when he said that "those who seek to undermine or wreck those institutions [of Northern Ireland] by violence will find no refuge here."

The move follows Ireland's underwriting of the tripartite talks in England last month to bring to justice here those wanted for guerrilla offenses in the North.

Gummen in a hijacked car today bombed a gas station in the city's busy Antrim Road, the police said. The station was seriously damaged but there were no casualties.

Five Bombs Explode

BELFAST, Jan. 2 (UPI).—Gunmen exploded five bombs across Northern Ireland during the night, the police said today. The bombs caused no injuries, but two soldiers were slightly wounded in a Belfast gunfight shortly before midnight.

The police blamed the IRA for four of the blasts. The Protestant Ulster Freedom Fighters claimed responsibility for the fifth.

Cod War Flares As Iceland Arrests British Trawler

REYKJAVIK, Iceland, Jan. 2 (Reuters).—An Icelandic patrol vessel arrested a British trawler off Iceland's east coast early today on the charge that it was fishing in a banned zone, the Icelandic Coast Guard said.

The trawler, the 628-ton St. Dominic, of Hull, is waiting for the British support ship Miranda to arrive.

The St. Dominic was accused of violating the fisheries agreement between Iceland and Britain by fishing in a forbidden zone, the coast guard said. It is in danger of being struck out of the list of British trawlers allowed to fish in Icelandic waters.

The arrest came at a time when Britain was believed to have ended the "cod war" by agreeing to cut its annual catch in Icelandic waters by 50,000 tons and withdraw factory and freezer ships.

The coast guard said that although the trawler was under arrest, no boarding party had been sent and it would not be taken to an Icelandic port. This would be against the rules of the November agreement.

The Icelandic patrol ship Odinn followed the procedure agreed on between Britain and Iceland and threw out a buoy where it spotted the trawler, the coast guard said. It then asked the British support ship to sail in to see whether there was a violation.

U.S. Fire Toll 11,900

BOSTON, Jan. 2 (AP).—The National Fire Association announced that 11,900 people died in fires in the United States in 1973, about the same number as the year before.

Stunt Rider's Cycle Kills Two in El Paso

EL PASO, Texas, Jan. 2 (AP).—A stunt rider fell off a motorcycle in a New Year's Day parade, and the riderless cycle plowed into a crowd of women and children, killing a 65-year-old woman and a boy of 8 and injuring 20.

Witnesses said stunt riders representing the Juarez, Mexico Police Department were leading the annual Sun Carnival parade when one of the riders fell backward as he attempted to stand up on his slow-moving motorcycle.

It gained speed and traveled half a block before plunging into the crowd.

Neapolitan New Year

NAPLES, Jan. 2 (AP).—Wild shots and fireworks greeting the new year killed three Neapolitans and injured 107. A shot from a passing car killed a boy of 16 on a balcony, a firecracker killed an 8-year-old girl on another balcony, and a man of 50 died in a similar accident.

Indians Claim Reservations About California Re-Zoning

By Everett R. Holles

PALM SPRINGS, Calif., Jan. 2 (NYT).—The winter visitors to this popular desert oasis lounge around the swimming pools of the hotels and private clubs, soaking up the sunshine, unaware that the town is under attack by Indians.

The hostile Agua Caliente tribe of 170 members, however, is no impoverished band of Indians protesting against a miserable existence on a barren, sand-swept reservation.

They are probably the wealthiest Indians in the United States, many of them millionaires, who have begun a new uprising in the federal courts to defend the huge economic stake they have in this prosperous winter resort, where they own land valued at \$60 million or more.

Since 1832, the Agua Calientes have been on the legal warpath almost continuously. They have spent hundreds of thousands of dollars on lawsuits against the city because of what they insist is a conspiracy by Palm Springs' "vested interests" to destroy them, mainly through discriminatory zoning of their land.

The accusation is denied by city officials, who say that, in attempts to pacify the Indians, they have granted them zoning concessions denied to other property owners.

The latest court action, which appears headed for the U.S. Supreme Court, contends that when Palm Springs was incorporated as a city in 1958, it acted illegally, without consent of either the Department of the Interior or the Indians, in annexing the best of 31,500 acres of land given to the Agua Calientes under government trust 63 years ago.

'Utter Chaos'

The city's planning director, Richard Smith, feels that an Indian victory in the courts would produce "utter chaos," destroy the attractiveness of Palm Springs and place its 31,000 permanent residents at the mercy of what he considers a handful of Indian agitators.

The Agua Calientes are reluctant to talk about their tax-free wealth, although some of them live as opulently—several in the Las Palmas section that is the

Beverly Hills of Palm Springs—as the wealthy sun-seekers and Hollywood celebrities who have built sumptuous homes here.

They drive air-conditioned Cadillacs and Jaguars, live in homes costing \$100,000 to \$200,000 with swimming pools and unlisted telephones, and wear \$175 sports jackets when they dine at Maw-ho and other restaurants. At least two are members of the exclusive tennis club on Barristo Road.

Others are "land poor," having drawn allotments outside the boundaries of the city's growth or back in the rugged canyons of the San Jacinto Mountains that tower over the city.

The tribe's 30 closely intermarried families share a tax-free income of \$2.5 million a year from a small portion of their total land holdings—mostly in the heart of Palm Springs—which they lease for stores, banks, hotels, office buildings, country clubs, trailer parks and apartment complexes.

Post Office, Too

Even the new Palm Springs Post Office, at the corner of Anasade Road and Calle Encina, is on Indian land, leased by the government from Mrs. Elizabeth Pete Monk for \$36,000 a year.

In addition to the flow of money from long-term leases, many of the Agua Calientes have accumulated fortunes during the last 14 years through the sale of \$18 million worth of land, including 640 acres purchased by the city from 30 Indians for just under \$5 million to build Palm Springs Municipal Airport.

Nearly two-thirds of the Indians are under 21, many of them independently wealthy children. Despite their affluence, few of the Agua Calientes have college educations and many are high school dropouts. For the most part, they are without working skills or established businesses, preferring instead to live on income from their lands. Their blood line and tribal identity have been diluted by outside marriages by young women of the tribe, mainly to Mexican-Americans. Some members of the tribe have lost the bulk of their wealth through extravagance or speculation, to unscrupulous business advisers or as a result of drinking or gambling.

"Everyone seems to have his hand in the Indian's pocket, even the doctors, who overcharge us," a tribal council member, Lawrence Pierce, said.

Seven Bombs Blast Cyprus Cars, Homes

NICOSIA, Cyprus, Jan. 2 (UPI).—Seven bomb blasts ripped apart cars and damaged buildings on Cyprus yesterday and today in the latest incidents of violence between supporters of guerrilla leader Gen. George Grivas and President Makarios, the police said.

The blasts caused extensive damage in the southeastern port of Larnaca. Sources in Larnaca said the targets—private cars and homes—belonged to followers of Gen. Grivas's drive for union of Cyprus with Greece (Enosis). They attributed the blasts to Makarios supporters who want the island to remain independent.

Japan's Foreign Envoy Leaves on China Visit

TOKYO, Jan. 2 (AP).—Foreign Minister Masayoshi Ohira left Tokyo for Peking today to sign a trade agreement and exchange opinions on Japan-China relations with Chinese leaders.

Mr. Ohira is making the four-day visit at the invitation of Chinese Foreign Minister Chi Peng-fei. This will be his first trip to China since September, 1972.

Cold Wave Covers Midwest; Record Lows Set for Date

NEW YORK, Jan. 2 (AP).—A record cold wave, which dropped temperatures to 45 below zero, gave the Midwest a shivering start to the new year.

More than 700 persons were stranded yesterday in the chilly weather aboard two stalled Amtrak trains, and some traditional New Year's Day events in Colorado had to be called off because of heavy snows and high winds.

Elsewhere across the Midwest, secondary roads were blocked in some places by snow, and low temperatures were evident almost everywhere in the region.

McGrath, in eastern Minnesota, with a morning temperature of 45 degrees below zero, was the nation's coldest spot as records tumbled as far south as Midland, Texas, where it was 14 above.

Some other records for the date were 30 below at Minneapolis-St. Paul; 28 below at Lincoln, Neb.; 22 below at Sioux Falls, S.D.; 13 below at Columbia, Mo.; and 13 below at Springfield, Ill.

Some 400 passengers were stranded 13 hours when a Chicago-to-Denver Amtrak streamliner stalled at Galesburg, Ill., a refueling stop. A spokesman for the Burlington Northern Railroad said that water mistakenly was poured into a diesel fuel tank of one of the locomotives.

An Amtrak train bound from California to Washington state with 313 holiday travelers was tied up at Klamath Falls, Ore., because a freight train derailed blocked the tracks.

Various Prices Increase in Italy

ROME, Jan. 2 (AP).—The prices of newspaper, domestic flight tickets and superhighway tolls rose yesterday in Italy in the first step of an expected wide range of increases.

The price of newspaper rose 45 percent to 180 lire (30 cents) a kilogram, from 125, as a result of increased costs of cellulose. Superhighway tolls were raised 12 percent to pay for the value-added tax. The price of domestic flights increased 10 percent by a decision of the Ministry of Transportation to meet increased costs.

The government approved increases of up to 48 percent in the prices of cement and fertilizers last week. There were reports that the prices of automobiles, tires and gasoline also will be increased soon.

King's Ransom

12 years old

A distinctly superior

SCOTCH

King's Ransom

12 years old

A distinctly superior

SCOTCH

King's Ransom

12 years old

A distinctly superior

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King's Ransom

12 years old

A distinctly superior

SCOTCH

King's Ransom

Darkness at Noon

"The Gulag Archipelago," Alexander Solzhenitsyn's new history of Soviet police terror and the sub-human prison camp network, is less important for what it says than for what it leaves unsaid. This horrifyingly detailed account of repression in the Soviet Union from 1918 to 1956 takes on its real importance from the suggestion that the police system it describes continues to this day. The infamous network of slave labor camps remains in operation, even if the numbers imprisoned have been vastly reduced since the amnesties granted by the Khrushchev regime.

Although necessarily published abroad, "The Gulag Archipelago, 1918-1956," is primarily intended for a Soviet audience, the "200 million" whom the author vowed to reach while he was still himself a prisoner, long before his novels on the same subject brought him the Nobel Prize. Mr. Solzhenitsyn is surely achieving this objective.

With jamming of most foreign transmitters halted, many millions of Russians by now undoubtedly have heard summary accounts of the new book on Western radio broadcasts. Excerpts and the full manuscript itself probably will circulate underground in the years to come, as do other banned books. One day, Mr. Solzhenitsyn clearly hopes, his account will play a role in bringing the Soviet people to rise up and end the decades of oppression which they have so far accepted with such docility.

That day is unlikely to come soon, as Mr. Solzhenitsyn's own report indicates, for the Soviet secret police is the central vital element—even more perhaps than the Communist party machine—in holding the whole Soviet system together. The network of camps, prisons, communications facilities,

transportation systems and spying organizations, Mr. Solzhenitsyn reports, "honeycombs" the length and breadth of the Soviet Union. No Soviet citizen, it appears, is ever more than a short distance from some link of this pervasive apparatus of control that permeates all governmental, party and social organizations. The survival of this infrastructure makes it less significant that the actual prison camp population has fallen from an estimated 12 million in Stalin's day to perhaps 1 million today.

Much of what Mr. Solzhenitsyn reports has long been known in the West. But this is the first time that an authoritative Soviet voice of stature has spoken from Moscow itself to inform the Soviet people in detail of their tragedy and to call for punishment of its perpetrators.

Mr. Solzhenitsyn's courageous challenge to the overwhelming power of the police state is a political act without real precedent in the 56 years since the Bolshevik revolution. The Soviet regime can arrest, imprison, even execute Mr. Solzhenitsyn. But it can no longer suppress his words. It would be far wiser to ease the repression that has increased at home, parallel with détente abroad, in the past year or two, and to permit greater, rather than less, freedom for Soviet dissidents and other thinking citizens.

In the long run, détente may favor such a trend. Meanwhile, the danger of nuclear war makes it a necessity that, as Chancellor Brandt recently said, the West would have to pursue détente even with Stalin, were he alive today. But the pursuit of détente must not blind the world outside the Soviet Union to the continuing grip of totalitarianism on Soviet society.

THE NEW YORK TIMES.

Uncertain Mandate

With the close of the polls across Israel, the way is now open for serious negotiations to be undertaken among the Middle East combatants, for the first time in a quarter-century.

The past two months have passed in a delicate suspension: All sides to the old conflict seemed eager to preserve the diplomatic momentum that had grown up on the ashes of the October battlefields, yet all sides also recognized that no meaningful bargaining could be undertaken by an Israeli government struggling for renewal of its electoral mandate. It is a tribute to diplomatic skill, good sense and, one can even say, goodwill of all the parties that this interim period in the peacemaking process has been weathered without any apparent dissipation of interest in reaching a political settlement.

The narrow victory of Premier Golda Meir's Labor party leadership will permit continuity in the diplomatic efforts already begun, even though the Labor mandate is sharply weakened. The strong showing of the hard-line Likud opposition may look on the surface like an upsurge of hawkish sentiments, a growing reluctance to make substantial con-

cessions in the Geneva talks. But in fact, Likud apparently did not pick up as many parliamentary seats as some analysts had predicted; the opposition vote may be seen as an act of protest against the leadership in power, rather than support for a hard-line negotiating stance.

Mrs. Meir's real task begins now, the formation of a new governing coalition. Monday's vote was hardly a sign of confidence in the leadership of the past, and it will be discouraging if the premier simply tries to perpetuate the complexion of her former cabinet.

The election results give only fragmented guidance to the policies which a new government should follow, domestically and in Geneva. The Israeli public seems in a mood for change, but it is far from united on the direction which that change should take. The best hope for the nervous coalition that will emerge is a solid achievement at Geneva, a negotiated settlement with at least Egypt, that it can then submit to the Israeli electorate as a genuine accomplishment, and thus gain a more positive mandate.

THE NEW YORK TIMES.

International Opinion

Posturing on the Mideast

Reports on the Middle East situation in the field and at the Geneva conference are nothing more than posturing intended to influence the Peace Conference and the crucial Israeli elections in which war is the principal issue. A renewed outbreak of hostilities in the Middle East cannot be entirely ruled out but, at this stage, we feel that the protagonists are already too deeply involved in the quest for peace to think of going into another war. Besides, the lessons learned from last year's Oct. 6 war are too costly and still too fresh for Israel and Egypt for them to be fighting each other again without giving current peace negotiations a chance to work out a settlement of their dispute.

—From the Times-Journal (Manila).

After the Israeli Elections

The formation of a new cabinet will call for extremely subtle choices among men and political currents which are fundamentally split. On the morrow of an election considered as vital, one is back practically at the starting point. The voters have shown their trust in old Labor values. But they did not speak up on the basic problems of peace. This is a paradox and a dangerous situation. In fact, one faces a kind of pyrrhic victory for "Israel's grandmother." The formation of a new cabinet will be long and difficult. It risks settling nothing. In this respect it is significant that several influ-

ential members of the political party which theoretically won the election should already speak about the need of having new elections within a reasonably short time. But in the field in the Middle East, the status quo should not last too long.

—From Le Figaro (Paris).

The erosion of the Israeli Labor coalition of Mrs. Meir has been confirmed by the result of the elections. And the advance of the nationalist right—less strong than expected by some—has confirmed the failure of the "doves"; in other words, this has been a relative success of the "hawks." "Hawks" against "doves," this is the perennial quarrel. And not in Israel alone. But one must not forget that the destiny of the Hebrew state can ultimately influence that of the whole West. The Israeli electorate has partly disavowed those who called for maximum concessions for the Arabs. Here is a fact that will not fail to weigh down on the proceedings of the negotiations resuming today (Wednesday) in Geneva. One must see this as the first signal of a hardening, and of new difficulties. This setback of the "doves" is in a way a setback for U.S. Secretary of State Henry A. Kissinger and his policy of peace which, though it is not peace at all cost, is a peace with too high a price tag for Jerusalem.

—From l'Aurore (Paris).

In the International Edition

Seventy-Five Years Ago

January 3, 1899

WASHINGTON, D.C.—It is becoming daily more apparent that the only measure that can be passed by this Congress providing for the construction of the Nicaragua Canal will be one providing for its construction directly by the United States and for complete U.S. government operation and control. This attitude is undoubtedly the attitude of the majority of the Senators and Representatives on Capitol Hill.

Fifty Years Ago

January 3, 1924

LONDON—Will wonders never cease? Scientists are already talking of a new scientific advancement right on the heels of so many other advances that have already been made in this young but turbulent century. It seems that soon there will be a new process making it possible to combine the wireless and the movies into one's home. The name is not "talking movies," that will come before, but television.



Nixon's Last One Thousand Days

By James Reston

WASHINGTON.—Among many who long at the beginning of the New Year for a new government and a new spirit in America, there is still a reluctance to call for the resignation or impeachment of the President, something that holds them back. Maybe the silliest argument against the resignation of Mr. Nixon is that it would hurt the Republic's prestige. Quite the opposite is the case. Nothing could hurt it more than to keep him

in place for three long years at the center of an endless controversy over Watergate and all its related horrors. This is a political nightmare, whereas the alternative gives the Democrats the shakes. With Mr. Ford in the White House, backed by Nelson Rockefeller or Elliot Richardson as vice-president, all the intractable policy problems would of course remain, but the poisonous atmosphere of the country would be swept away,

the chances of a Republican victory in 1976 infinitely improved.

In human terms, it is easy to understand the reluctance of people to insist on resignation or impeachment. They have too many regrets. It seems too cruel and humiliating, and would obviously be bad for Richard Nixon, but to argue that it would be bad for America in Mr. Nixon's last 1,000 days is palpable nonsense.

The Newest Vietnam Test

By Rowland Evans and Robert Novak

WASHINGTON.—The response in the next two months to severe but still localized Communist attacks in Vietnam, by the South Vietnamese Army (ARVN) in the field and by the U.S. government in Washington, will probably determine whether Hanoi orders a full-scale spring offensive that would create still another Indochinese bloodbath.

Expert opinion high in the government here foresees a continuation of what the Communists now call "strategic attacks" (they used to be "high points") with no general offensive before March 1. Whether Hanoi attempts the conquest of South Vietnam after that, these experts believe, depends on whether ARVN repels these "strategic attacks" and whether Saigon gets full political, economic and moral backing from Washington.

There is today more confidence in ARVN's steadfastness than in Washington's. The shocking report in Congress for a deadly cutoff of oil to Vietnam (though finally killed in conference) suggests a tendency to abandon the Saigon regime at the first sign of trouble. President Nixon's commitment is undoubted, but his ability to maintain support is obviously eroded.

A Deterrent

In fact, serious students of Vietnam long have felt the country's future depends on a Watergate-weakened Mr. Nixon. They believe the possibility he might respond to a Communist general offensive with renewed U.S. bombing in defiance of congressional prohibitions remains a major deterrent against Hanoi.

This deterrent was strengthened somewhat in November when the Nixon administration, responding to stepped-up Communist operations, dispatched two air-

craft carriers to the Gulf of Tonkin and sent reconnaissance planes over North Vietnam.

At the same time, the ARVN performed well in the recent "strategic attack" on Bien Hoa in the Central Highlands. U.S. experts gave South Vietnamese jet aircraft fairly high marks in supporting the infantry and knocking out some Communist tanks.

More Expected

More of the same is expected the next two months with the heaviest "strategic attacks" in Tay Ninh and Binh Duong provinces northwest of Saigon on the Cambodian border and in the Central Highlands around Pleiku and Kontum. U.S. officials are confident that ARVN can throw back these assaults and hope Congress will not interfere with the U.S. residual presence in the form of aircraft carriers and reconnaissance flights.

Many other factors besides the U.S. reaction, of course, will determine Hanoi's course. Analysts here believe one factor in the Hanoi Politburo gives "building socialism" in North Vietnam a much higher priority than military conquest in South Vietnam. Moreover, some high officials in Hanoi mistakenly believe the South can be communized by political means. Polish and Hungarian members of the International Control Commission report privately that old-timers in Hanoi simply cannot bring themselves to accept the control over the South by President Nguyen Van Thieu's government.

If the hawks in Hanoi win out and a general offensive is launched this spring, it will surpass even the bloody campaign of 1972. Some 180,000 well-equipped North Vietnamese and Viet Cong troops are now in South Vietnam. If and when a general of-

fensive gets the green light, another 65,000 reserves will be infiltrated from the North. Armor and artillery supplied by the Soviet Union far overshadow the formidable Communist invasion force of 1972.

As in 1972, a massive assault would be made along the demilitarized zone (DMZ) against crack ARVN units in the northern part of South Vietnam. But the main assault is expected in the politically crucial Saigon area. Three divisions of the North Vietnamese regulars—the 5th, 7th and 9th—moved into this area months ago and, apart from darting back across the border to Cambodia occasionally, have never left.

One Strategy

In the view of military experts here, hopes of the Saigon regime may depend on its willingness to quickly bring down troops from the DMZ, sacrificing almost all the northern part of the country in exchange for protecting Saigon. Even then, with no U.S. air support available, South Vietnamese chances of survival are barely even.

If Communist aggression should destroy South Vietnam, few tears would drop in a Washington weary of world burdens and uninterested in old commitments. But would Richard M. Nixon sit by and watch his "peace with honor" in Vietnam be destroyed by Communist armies?

Some level-headed officials do not think so. They suggest that Mr. Nixon, tottering on the brink of impeachment, will push himself over the precipice by ordering the U.S. answer to fight off the Communist onslaught. Or, perhaps, they just hope Hanoi will so much fear this possible reaction from Mr. Nixon that it will spare bloody Vietnam from yet more tragedy.

Pluses and Minuses for Gerald Ford

By William Buckley Jr.

NEW YORK.—The polls show that, with three entries to consider, the American people would at this moment choose Gerald Ford over Edward Kennedy and Henry Jackson. Concerning this and its implications, a few observations:

1.—There is always a little glamour in the unknown. Of the three gentlemen, only Gerald Ford can be thought of as unknown. Sen. Kennedy has worked against him. Not only Chappaquiddick, but that anti-dynasticism which is emerging in the colleges and universities, as the scholars rewrite history to the disadvantage of his older brother, Scoop Jackson has worked against him. A stamp-faced political personality, the resolute ill-will of the Democratic left, and—most of all at this point—the fear of those who believe that the United States' attachment to Israel has got to be rethought in the light of the Mideast crisis.

2.—Significantly, the choice of the moment is not only a Republican, but a Republican selected as Vice-President by Richard Nixon, whose name is anathema to the majority of the voters. This suggests that the mandate of 1972, such as it was, is not eroded along with the confusions in the man elected. That Republicanism is more preferred in America. Many things have gone wrong in the past 12 months, but none of them is associated with that which might not have been had George McGovern entered the White House.

Whom to Blame

But this may be a temporary situation. The principal uncertainty of the day is economic. The record of the Nixon administration here is not seriously touched by charges of graft and corruption. Whatever Mr. Nixon did or didn't do to favor or to hurt milk farmers and AT&T is not seriously thought of as having affected the economy or brought it to its low estate. And it is not now clear whom the people would blame if deficit spending were publicly identified as the emergency in the current situation.

Would they blame President Nixon on the grounds that all basic economic policy is casually thought to be the responsibility of the President? Or would they blame the Congress, which after all voted the deficits, and in dramatic recent cases attempted to override presidential vetoes?

This much is certainly clear, and that is that the Nixon administration has no real line in economic policy. Beyond a few sentimental presumptions in favor of husbandry and the free marketplace, Nixon has expounded nothing. Several years ago he said he too was a Keynesian. I doubt that he knows what he means by that, or, for that matter, that John Maynard Keynes would know. All that is really left is the meaning of that word is: a conviction that a central authority has got to supervise the balance of payments. Nixon has sought to do that—unsuccessfully.

Economic conservatives are entitled to conclude that the administration has been altogether too good-natured on the matter of deficit financing, which is not called "full employment economy," a euphemism insufficiently skewed in recent critical literature.

Thus Ford's advantages: 1.—Virtue of being relatively unknown, and in virtue of identification with a conservative administration, may be short-lived. Sen. Kennedy does not have the background to emerge as a convincing economic decision-maker. The industrial New Dealer, does so that under the circumstances, and discounting for the moment the competition—the chances of Sen. Jackson would appear to be greater than ever. That is why, for instance, the trendy New York Magazine can run a cover story entitled "The inevitability of Scoop Jackson."

The International Herald Tribune welcomes letters from readers. Short letters have a better chance of being published. All letters are subject to condensation for space reasons. Anonymous letters will not be considered for publication. Writers may request that their letters be signed only with initials, but preference will be given to those fully signed and bearing the writer's complete address.

Letters

Violence

Although in a recent editorial you stressed that violence was "irrelevant," one might receive the impression these days that far from being so, violence is in fact the spirit of the age. Nor was this kind of violence unpredictable. I remember 10 years ago hearing that it would be so. The increase, what does not seem to be widely appreciated is that the world is full of people (and always has been to some extent) who are looking for moral excuses to indulge in violence. It would be rewarding to sit down and calculate how much blood has been shed in the name of "justice" or "morality" throughout history; it is not hard to see how much will continue to be.

H. ROSIN.

Note to Sulzberger

Maybe the learned Mr. Sulzberger, who so outrageously described the autobiography of the Israelis, including the last paragraph of throwing a few atomic bombs (I presume over the Arabs, not over themselves), could think of a better idea.

Why not proclaim itself the 51st state of the union and become the far-eastern of the United States. In the Middle East, a state to call itself Israel. The only drawback: it would be

full of Jews, and some people would not like it.

However, the Russians would be the least to admire it; they would have to stop inciting the Arabs against it—there would be no war, no arms sales, no home ports for the Russian fleet, and last but not least, no oil blackmail.

After all, the U.S.S.R. voted in the UN 25 years ago for Israel, for one reason only. The Russians knew already then, that without Israel in the Middle East, the U.S.S.R.'s position would be weak, only bla-bla-bla (like the Chinese position today). But putting the horn in the Arab's mouth was a beautiful maneuver, paying off consistently.

I suggest that Mr. Sulzberger exploit this idea for an article, which could be more fantastic than the one he wrote about Israel's suicide.

LEONARD LEIGH.

Views of Chess

Aldous Huxley would not have agreed with Freud's theory that chess was essentially a masculine game because it permitted the male player to act out his Oedipal complex by destroying the king-father (the "king" of the chess). He once wrote that chess had been invented by a woman because (1) the whole object of the game is the pro-

مركز الأخبار

U.S. Diplomat Charles Bohlen Dies

By Marilyn Berger
WASHINGTON, Jan. 2 (WP).—Charles E. Bohlen, 69, the retired U.S. diplomat who died here last night of cancer, was involved in every major development in Soviet-American relations from 1945, when he helped open the first U.S. Embassy in the Soviet Union, to President Lyndon B. Johnson's denunciation of the Red Army's invasion of Czechoslovakia in 1968.

No other diplomat attended more high-level conferences during World War II and the immediate postwar period.

Mr. Bohlen was President Franklin D. Roosevelt's interpreter and

somehow adviser at the summit conferences with Marshal Joseph Stalin and Prime Minister Winston Churchill at Tehran and Yalta, and President Harry S. Truman's interpreter at the Potsdam meeting.

He was an adviser on Soviet affairs to almost every Secretary

of state after the war, and he had a hand in devising the Marshall Plan to ward off the spread of Communism by pumping vast sums into Europe to stimulate economic recovery.

No other diplomat knew the Russians better. Fluent in the language and familiar with Russian literature, art and music, as well as the country's history and the tenets of Bolshevism, Mr. Bohlen understood the Soviet leaders and the Russian people.

"Classic Diplomat"

This knowledge, together with his engaging personality, led Dr. Adam B. Ulam, professor of government at Harvard and an expert on Russia, to describe Mr. Bohlen as a "classic type of diplomat."

Others noted his adeptness, but viewed Mr. Bohlen as essentially a conventional Foreign Service bureaucrat who seldom questioned U.S. policy. For example, Ronald Steel, editor of World

Affairs, said that Mr. Bohlen "rose to the top by his wit, his social grace, his ability to please his superiors, his willingness to play by the rules of the game."

Nevertheless, he became a controversial figure when his nomination by President Dwight D. Eisenhower as ambassador to the Soviet Union in 1953 was opposed by right-wingers, including Sen. Joseph R. McCarthy of Wis. cousin.

Mr. Bohlen also ran afoul of Secretary of State John Foster Dulles and, after more than four years as ambassador to Moscow, was shunted to Manila, where he remained until Mr. Dulles died.

A Symbol

Such disfavor was apparently due solely to Mr. Bohlen's close relationship to the Roosevelt administration. He was viewed as a symbol of "Yalta appeasement."

In fact, Mr. Bohlen was always dubious, even during World War II, of the Kremlin's intentions. He was still insisting in conversations this year that there could be no long-term rapprochement with Moscow until the Soviet system of rigid controls of almost every aspect of life changed—and he saw no hope for such change in the foreseeable future.

Nevertheless, he did not think the United States and the Soviet Union were on a collision course. Limited agreements were possible, he said.

"The best policy for the United States to follow," Mr. Bohlen wrote in his memoirs, "Witness to History," published this year, was to keep "our defenses sufficiently strong to deter the Soviet Union from any possibility of yielding to the temptation of a first strike with nuclear missiles."

Charles Eustis Bohlen was born on Aug. 30, 1904, in Clayton, N.Y.

Extensive Travels
Reared in Aiken, S.C., and Ipswich, Mass., young Bohlen traveled extensively with his family in Europe. Mr. Bohlen received the nickname Chip in his college days.

After receiving a bachelor's degree from Harvard in 1927, Mr. Bohlen went on a six-month voyage around the world in a tramp steamer. On his return, after talks with his family, he took the Foreign Service examination and on March 24, 1929, was accepted—even though one of the examiners smelled alcohol on his breath.

A year later he became one of about a dozen young Foreign Service officers specializing in the Soviet Union. Although the United States did not have formal diplomatic relations with Moscow at that time, the State Department wanted to train specialists.

Mr. Bohlen's first diplomatic post was in Prague, where he was sent for two years to learn the basic elements of work in an embassy. In 1931, he was transferred to Paris, where he attended Russian language classes. Before he finished the course, the United States had recognized the Soviet Union, and Ambassador William I. Bullitt had chosen Mr. Bohlen as one of the first secretaries of the new embassy.

"Fresh Spring Air"

When he crossed the border on his way back to the United States in 1935, he felt, "like coming out into the fresh spring air."

In 1938, on his second tour of duty in the Soviet Union, Mr. Bohlen attended the last of Stalin's great purge trials. The following year he scored a diplomatic scoop by learning from an anti-furrier secretary of the German Embassy the details of the negotiations for the Nazi-Soviet pact before the public announcement. The pact led to the Nazi attack on Poland, which led in turn to World War II.

After a tour of duty in Japan, where he was interned when the Japanese attacked Pearl Harbor, Mr. Bohlen was assigned to the State Department in Washington. Mr. Bohlen became President Roosevelt's interpreter at the conference with Stalin and Churchill at Tehran. So delighted were the President and his adviser, Harry Hopkins, by Mr. Bohlen's work that they took him into the White House as a liaison man with the State Department.

After the Yalta conference of 1945, Mr. Hopkins was confined



Mr. Bohlen with President John F. Kennedy in 1962.

to the hospital and Mr. Bohlen's duties at the White House increased.

After the war, Mr. Bohlen moved back to the State Department. His only work directly for President Truman was as an interpreter.

The debate over Mr. Bohlen's appointment as ambassador to the Soviet Union in early 1953 did more than anything else to make him known throughout the country.

Nearly 5 Years

The Senate eventually confirmed the nomination, 74 to 13. The vote halted Sen. McCarthy's rise. His tactics in fighting the nomination so infuriated two influential Republican senators, Robert A. Taft and William F. Knowland, that responsible conservatives in the party refused to cooperate with him after that, and he eventually was censured.

By the time the new ambas-

sador arrived in Moscow, Stalin had died. For nearly five years Ambassador Bohlen reported on the changing Soviet Union—the rise of George M. Malenkov to the premiership; the arrest and execution of Lavrenti P. Beria, head of the secret police; the eclipse of Malenkov; the ascendancy of Nikita S. Khrushchev; the denunciation of Stalin; the Hungarian revolt; the Suez crisis.

There were bitter exchanges with the Kremlin leaders during the simultaneous 1955 crisis over the Hungarian revolt and the British-French-Israeli invasion of Egypt over the nationalization of the Suez Canal. At a reception, Premier Khrushchev spotted the ambassador entering a room.

"I want to talk to you about Suez," the grim-faced Soviet leader snapped.

"And I want to talk to you about Hungary," the ambassador shot back.

Despite the harsh words, the Russians expressed regret when Mr. Bohlen was transferred to Manila.

Mr. Bohlen stayed in Manila as ambassador for two years, until Mr. Dulles died in 1959. The new secretary of state, Christian A. Herter, brought Mr. Bohlen back to Washington as his adviser on Soviet affairs.

Mr. Bohlen's last major assignment was as ambassador to Paris. In October, 1962, President John F. Kennedy appointed him to the post. He remained in Paris for five years.

Mr. Bohlen returned to the United States in February, 1968, and spent his last year of nearly 40 years in the Foreign Service as deputy under secretary of state for political affairs.

Obituaries

U.S. Rep. Teague of California, A Congressman Since 1954

SANTA PAULA, Calif., Jan. 2 (AP).—Rep. Charles M. Teague, 64, who had represented this Southern California city in Congress since 1954, died of a heart attack, aides said yesterday.

Mr. Teague's body was discovered yesterday morning by his son Alan, who is the mayor of Santa Paula. Mr. Teague had died during the night, aides said.

Mr. Teague was the ranking Republican on the House Agriculture Committee and also was on the Veterans Affairs Committee.

Mr. Teague was the president of the Ventura County Republican Assembly when he decided to run for Congress in 1954. He won 62.5 percent of the vote and went on to gain bigger majorities in his re-elections.

President Nixon said Mr. Teague's death "represents a significant loss" and added, "He will be remembered most especially for his interest in American agriculture and for his many years of devoted service on the House Agriculture Committee."

Konstantin A. Vershinin

MOSCOW, Jan. 2 (Reuters).—Marshal Konstantin A. Vershinin, 73, a former commander in chief of the Soviet Air Force and one of the survivors of the Stalinist military purges of the 1930s, has died here, it was officially announced tonight.

He served in the ranks of the Red Army during the Russian

civil war which followed the 1917 Bolshevik revolution. Afterward, he helped in the formation of the country's air force.

During the late 1930s, he held several important command posts. Although thousands of his military colleagues were arrested after the claimed discovery of a plot by senior officers to overthrow the Soviet state, the purges passed him by.

During World War II, he commanded Soviet Air Force operations on the southern front in the early stages of the conflict. Later, he was in charge of offensive operations as the German forces retreated from the Soviet Union and Eastern Europe.

After the war, he was appointed the commander of air defense forces and, in 1957, became the air force chief and a deputy defense minister. In 1959, he was appointed as chief air marshal.

He retired in 1969. The official announcement of his death, issued by the Tass news agency, said it took place on Dec. 30 after a prolonged and serious illness.

Santo (Sam) Perrone

BLOOMFIELD HILLS, Mich., Jan. 2 (UPI).—Santo (Sam) Perrone, 78, named in 1963 by a U.S. Senate committee as a top Mafia leader, died Christmas Day in a nursing home and was quietly buried on Friday, a nursing home spokesman said.



Charles E. Bohlen and President de Gaulle in 1962, when Mr. Bohlen presented his credentials as U.S. Ambassador.

Estonians See Russification As a Danger to Their Culture

By Hedrick Smith
TALLINN, U.S.S.R., Jan. 2 (NYT).—"I don't know the statistics, but from the young people I know, it seems that more marriages are taking place between Russians and Estonians," a young Russian teacher and housewife said. "But they do not always end happily. There are many divorces, because the people are used to living by two different traditions."

"In many Russian families, for example, the husband usually

turns over almost all of his pay to his wife and she manages the household," the woman went on. "But in an Estonian family, the husband does out the money to his wife when he thinks she needs it. I have a Russian friend who is married to an Estonian and they argue about this. She is bothered by it very much."

The young woman brushed back her brown hair and hesitated. Then, more shyly, she added, "In my own case, Estonian friends of my husband's parents say they were surprised that he married a Russian girl, and they didn't approve. They don't say it directly to me, but you can feel the resentment just the same."

Her soft-spoken but unusually candid comments reflect the increasing degree to which Russians and Estonians mix and live together in this Baltic capital, one of the westernmost cities of the Soviet Union, both in geography and in attitudes.

Limits on Life Style
The Soviet system has allowed Estonians to maintain a distinct life style, but within certain limits that do not encroach on fundamentals.

Some Estonians voice frustration at the limits on their development as a nation and worry that their culture is being gradually but steadily diluted, although the vast majority seem to have taken a fatalistic view of their situation.

"To be honest," a melancholy young intellectual said, "we are like the American Indians. We have only two choices: either to be assimilated or to conserve our quaint 'costumes' to show off to tourists. Neither alternative is very attractive."

His meaning was clear: Independence is out of the question and preserving the past is a defensive and limited form of maintaining national identity.

The years since the Soviet take-over of Estonia in 1940 have wrought notable changes. Farming has been collectivized under pressure and made even more mechanized than before; a broader sector of modern industry, including electronics and specialized light industry, has been added.

The Russians, about 8 percent of the population in the last census before the war, formed about 25 percent of Estonia's population of 1,356 million in 1970. And in Tallinn, the Russian community grew to 35 percent by 1970, while the Estonian share of the city's population was down to 56 percent.

Estonian officials have reportedly advocated slower rates of economic growth and have tended off certain kinds of industrial expansion to avoid the necessity of attracting still more labor from Russia and other Soviet republics for new industry.

U.S. Family of 5 Among 39 Dead in Turin Air Crash

TURIN, Jan. 2 (AP).—An American family of five was among the 39 people killed in the crash and fire of an Italian airliner near here yesterday, the police said today.

A police spokesman identified the five as Robert Anthony Breckheimer, 50, from New York City, his wife Sheila, 50, their son Robert Anthony Jr., 19, and his wife Joyce, 23. Mr. Breckheimer, the police said, was the head of an American subsidiary based in Geneva.

They were traveling back to Geneva, where they all lived, after spending their Christmas holidays in Taormina, Sicily.

The body of a 2-year-old baby was recovered today, raising the number of dead to 39. Only four people survived: three passengers and the flight engineer. All board were Italian, except the Breckheimers.

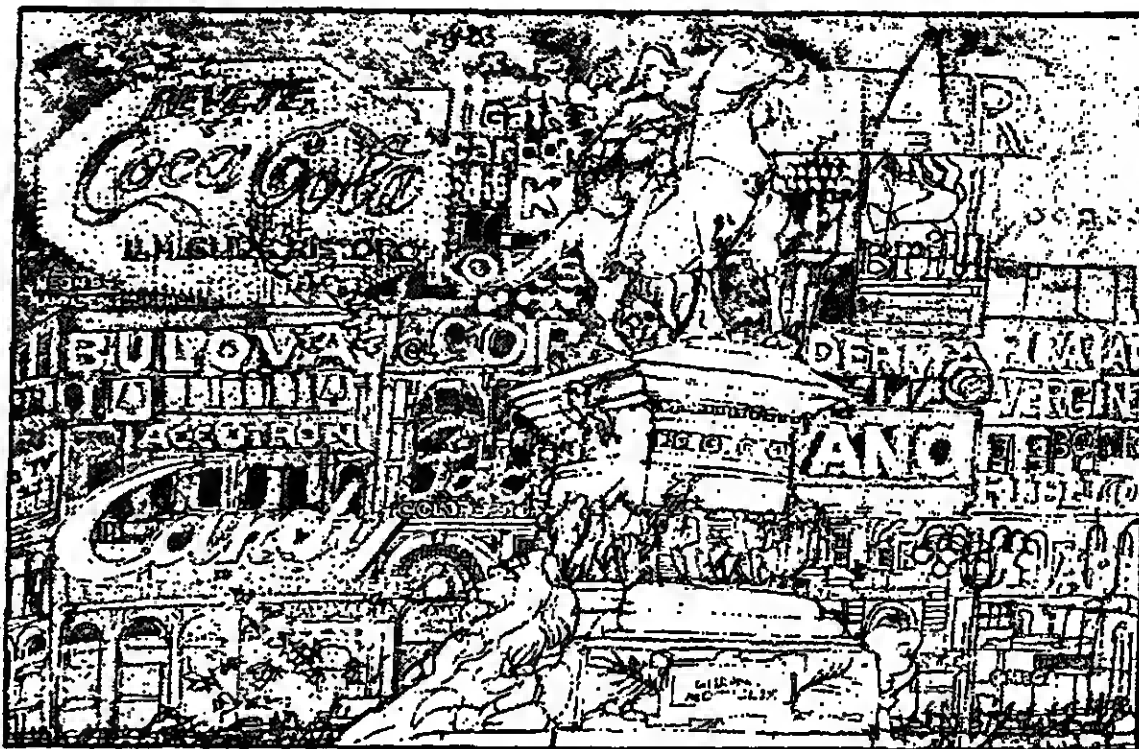
Enrico Tassi, one of the survivors, said today: "It was foggy. I was in the front section. Suddenly the plane tipped to the right and we hit something. There was smoke all over."

Austria Train Crash

BLUDENZ, Austria, Jan. 2 (AP).—An Austrian train engineer was killed and six French tourists were injured, two of them seriously, when the last two cars of the Vienna-Paris express train derailed and sideswiped a stationary local train east of here last night. The line was interrupted several hours.

MEMORIAL SERVICES

STATE SALER MEMORIAL SERVICE memorial service for the former warlock Paris correspondent last night will be held on Sunday, January 13, at 2:30 o'clock, at Temple Adas on the Main Line, Old Lancaster and Highland Avenue, Meriden, Conn. The family extends its invitation to friends to attend. Memorial gifts may be sent to the Jewish War Veterans, 1000 Main Street, Meriden, Conn. 06460.



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And the skills of making money work. So today, Milan is Italy's most important industrial and financial center. Moreover, money market and foreign exchange activities are almost exclusively centered in Milan, as is Italy's major stock exchange.

But while Milan has a firm hold on Italian business, it is no less attractive to foreign interests. Of the 700 American companies holding investments in Italy, nearly 400 are in Milan. And of European firms with Italian subsidiaries, 41 per cent are there.

Of course, Continental is there, too. At Via Monte Napoleone 27. Our full-service branch in Milan is an important link in Continental's growing six-continent banking network. A network which allows us to meet the needs of multinational corporations everywhere. And to meet them with dispatch, efficiency and flexibility you might not expect from a bank as large as Continental.

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ART IN LONDON

A Feast of Orthodox Icons

By Max Wykes-Joyce

LONDON (H.T.)—From the art viewpoint, there could be no better holiday celebration than the exhibition (to the end of

January) of feast day icons at the New Grecian Gallery, 31 Brook St., London, W1.

Each of the 12 feasts, all of which are commemorated by a row of icons hung across the chancel screen of Eastern Orthodox churches, is represented in the show, as well as some others of particular importance in the church year, such as the birth of the Virgin and the presentation of the Virgin in the temple.

All four Christmas icons—a 15th-century Greek, an early 17th-century Russian, and later 17th-century Russian and Cretan—show Mary reclining at the mouth of a cave in the center of the icon with the Christ child in a crib beside her, guarded by ox and ass. The Magi and the shepherds occupy the upper part of the icons, together with a symbolic cluster of angels, while the lower part has two genre pieces, of Joseph being tempted by the devil, and of the washing of the infant Christ by his mother. In the early 17th-century Russian icon of the Nativity, there are additional narrative scenes of the Adoration of the Magi and the Flight into Egypt.

The icons are not simply narrative, but have, as their prime intention, the instruction of the faithful in the church dogma. In the baptismal icons (the feast of the baptism of Christ is on Jan. 6) the Holy Ghost, representing Christ's divine nature, is seen descending upon his head from heaven, while the attendant angels hold his clothes, the symbol

A late 16th-century Cretan icon of the presentation in the temple.

of his human nature. The dove and the robes, then, expressed for the illiterate, in simple visual terms, the dogma of the duality of Christ's nature.

One of the most attractive compositions—each theme has a traditional pattern of subject and disposition—is that of the presentation of Christ in the temple (Feb. 2). The icon shows St. Simeon (personifying the church) with the Christ child in his arms, in the presence of the Virgin Mary and Sts. Joseph and Anna.

There are five icons of the presentation. The most beautiful is a late 16th-century Cretan specimen. All manner of subtleties are used to unify the composition—the pillars of the central canopy, for example, link three of the four adults; the folds of the draperies echo and re-echo movements in each of the four saints; and the colors are elegant, subtle and rich, a rare harmony of scarlet, rose, ruby, grey, grey-green, bottle-green and stone.

Each of the more than 50 exhibits demands an essay to itself, for all have been selected with an eye to quality, age (nothing later than 17th-century) and iconographical significance. The catalogue is invaluable, with its introductory essay on the "Cycle of the Great Feasts" by Kurt Weikmann. Each icon is well

illustrated and there are 12 color-plates. There are copious annotations and biblical cross-references to the feast and the M. R. James translation of the Apocryphal New Testament.

This is without doubt, the best icon exhibition in London for more than a decade and greatly repays careful attention.

N.Y. FASHION: A Dabbler in Old Fabrics

By Hebe Dorsey

NEW YORK (H.T.)—In New York, where fashion talent tends to be computerized, Dana Kent, 25, is like a breath of fresh air. A free spirit, she goes about dabbling with old fabrics in a humble, crafty but highly personal way.

Monteverdi Festival Set For Holland

A Monteverdi festival, including new productions of several stage works, will be presented by the Netherlands Opera from Jan. 4 to 20, with performances planned in Amsterdam, Schiedamschen, Rotterdam and Nijmegen. A new production of "Orfeo" will be under the musical direction of Nikolaus Harnoncourt, with his Concerto Musici of Vienna, and staged and designed by Filippo Sanjust. Gustav Leonhardt and the Leonhardt Consort will provide the musical elements of a program that includes "Il Combattimento," "Lamento d'Ariana" and "Il Ballo Delle Ingrate," also with Sanjust responsible for scenic arrangements. There will also be a revival of the company's successful 1971 production of "L'Incoronazione di Poppea," under Leonhardt's direction, two performances of the "Vespere della Santa Vergine" and one of madrigals, both in Amsterdam churches.

UNESCO
Tuesday, January 2, at 8 p.m.
FRIEL
Wednesday, January 3, at 8 p.m.
(S.A.C.F.)
Reservations open now for Jan. 3, at UNESCO & Durand.
For Jan. 3, at the Playoff, Durand & Agencies.

2 EXCEPTIONAL CONCERTS for the 25th anniversary of the I.M.C. Council with the participation of REGINE CRISPIN D. FISCHER DIECKAU WILHELM KEMPF YEHUDI MENUHIN GERALD MOORE RAFAEL PUYANA IANINE REISS M. ROSTROPOVITCH TURBIO SANTOS & MUSICIANS FROM INDIA & ARMENIA (U.S.S.R.)

Her story is a fashion version of how to succeed without trying. Miss Kent, who started sewing at the age of 8—"I went to the sewing machine the way others go to the piano"—now sells to Bonaldi and Bloomingdale's. Her dresses, all under \$150, are clever collages of antique fabrics, including sometimes as many as 20 different patterns in one single outfit. Now on display at Bloomingdale's Paradox section, they stand out like so many Japanese bouquets. Although Miss Kent refers to them as "thought-out confusion," her dresses are put together with an artistic as well as technical hand, even if some of them have a slight, loving-hands-at-home touch.

Miss Kent's great name (Dana Braun) started as a teacher in home economics. An Ambition "I always wanted to be a designer," she said, "but my parents said: 'You have to be a teacher.' I was so bored." After school, she went to Greenwich Village looking for old fabrics and kept on sewing as a hobby. She got so involved that "soon, I was paying my students to help. I sold to friends and started making a lot of money. So I quit teaching and started a business."

Three years ago, she found a partner and each of them put up \$2,000. "Now," she said, "we are making between \$250,000 and \$300,000 a year."

Although she is definitely making it, Miss Kent still goes at it in her underground, out-of-the-industry way. For one thing, "the fabric market is so difficult to work with," she said. "It's very hard for a small company to get exclusive prints."

Miss Kent also has an assistant, Constance Woods, who went to design school and the Fashion Institute of Technology. "Comie and I do all the color matching," Miss Kent said. "We like to mix patterns and colors. Yet the feeling is soft and we like clothes that move about."

Calling what she does "very instinctual, very simple," Miss Kent added: "We use a Bernina sewing machine which has an embroidery stitch. We free form

and do a design that ties in the collage. What we're doing, really, is painting with a sewing machine. I've always played around with painting and sewing. It takes both to achieve something. Otherwise, it's a mess."

The fabric "We like to keep everything very special," she said. "We want people to feel they are getting something they won't find on Seventh Avenue." In a way, it is not too hard to achieve that unique look. "If you're an artist, it's almost impossible to repeat yourself," she said. "On top of it, if you get antique fabrics, you don't get that much quantity—which is a good thing."

But how does she find all those fabrics, now that she is dealing with large orders? "I go to exporters all over the country," she started saying, when her assistant broke in:

"Oh, give them the real name, regreen," she said. "The supply might be out but it's amazing the amount there still is."

Unlike most designers, who would have you believe they do it all themselves, Miss Kent admits candidly: "We usually have two or more persons working on the same outfit. Because we feel that the more people, the more chances it will be good. You can't do it all yourself. The constant feedback is good."

Asked which of the Establishment designers she likes best, Miss Kent said: "Ahem, that's a good question. Giorgio di Sant'Angelo and Jean Muir. I guess I like clothes that are very soft and special. Lots of designers in the States are too commercial."

She added: "They disappoint me. I have no desire to move to Seventh Avenue, to be bought by a manufacturer. We need far seven figures. Six is enough."

Dana Kent, left, and model, wearing two of the Kent creations.



MUSIC

Ragtime in White Tie and Tails

By Henry Pleasants

LONDON (H.T.)—For an evening of ragtime piano, the hall, the stage setup and the format seemed all wrong. In fact, it was all absolutely right.

The hall was the Queen Elizabeth, normally dedicated to classical recitals and chamber music. The setting was the bare stage, occupied by nothing but a Steinway grand piano. It was as if Arthur Schnitzler, ritually attired in white tie and tails, were about to emerge from the wings to play a program of Chopin. Indeed, the piano was the one Rubinstein plays here, and without any thumbsticks stuck into the hammer flaps to make it sound like a beat-up old upright.

Instead, the man who emerged from the wings was a 29-year-old American, Joshua Rifkin, attired in white tie and tails. He strode resolutely to the piano, bowed deeply to a sold-out house, and then, without a word, played "Maple Leaf Rag" and some 20 more rags by Scott Joplin, a black American composer who was born in 1868 and died in 1917.

What was so right about all this was that Joplin, when he composed those rags, mostly around the turn of the century, had just this sort of setting and performance in mind. His objective was to distill a classical form from the fin de siècle ragtime idiom of vaudeville and minstrel show. As a knowledge-able critic wrote next day in *The Guardian*, one could "imagine the composer nodding self-righteously in his grave."

It would be incorrect to credit Joshua Rifkin with sole responsibility for the rediscovery and growing public awareness of Scott Joplin, and he would be the



Joshua Rifkin, "moldy fig."

last to seek it. Max Morath, the late Willie (the Lion) Smith and, more recently, the monogamous Bubble Blake have kept the idiom, off at about 1940, which is 70 years before I was born.

Among pianists, Art Tatum is about as far as I go. My bias goes back to early Fatsa Elmas, James F. Johnston and Jelly Roll Morton. That's probably why, when my friend Bill Bolcom (another composer-musicologist who combines the blues-garde with early jazz and ragtime) put me on to Scott Joplin, I was hooked. That record was a labor of love, a means of working on an obsession.

Rifkin still regards the Joplin venture as an avocation. Competition and musicology come first. He is preparing for a doctorate in musicology with a dissertation on the musical manuscripts of the Model popes (1613-1620). He is also doing some articles for the forthcoming new edition of Grove Press' "Dictionary of Music and Musicians," among them those on Heinrich Schütz (1585-1670) and Bach's librettists.

Schaffer and Johannes Riebel, just been published by the Louisiana State University Press.

Rifkin's Opinion

"The whole thing has been a bit flakey," Rifkin said a couple of days after his Queen Elizabeth Hall outing. "To begin with, I don't think of myself primarily as a pianist. I am a composer (Princeton, Gillingham and Darmstadt), and a teacher (Indiana), and a musicologist (Brandeis University)."

"When I made that first record I hadn't played piano seriously for about 10 years. We didn't expect anything from it. I had just been lucky enough to be in on the founding of Nonesuch (the classical subsidiary of Elektra, and certainly the only label named for a mince-meat), and as musical director I had a say in what was produced."

"I had played a lot of jazz piano as a kid, and loved it, although as a jazz enthusiast I'm something of a moldy fig. I know off at about 1940, which is 70 years before I was born."

"Among pianists, Art Tatum is about as far as I go. My bias goes back to early Fatsa Elmas, James F. Johnston and Jelly Roll Morton. That's probably why, when my friend Bill Bolcom (another composer-musicologist who combines the blues-garde with early jazz and ragtime) put me on to Scott Joplin, I was hooked. That record was a labor of love, a means of working on an obsession."

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Every Note

Why did his Scott Joplin make a so much greater impact than the Joplin of other laborers in the vineyard? "I suppose," he says, "it's because I play Joplin straight, which is pretty hard for jazz pianists to do. Joplin wanted to create a ragtime art form, and he wanted his rags to be played exactly as written, free of any vaudeville lilt or showbiz flourish. And that's the way I try to play him. Every note is his, and it's right where he put it."

Hence the formal recital format at the Queen Elizabeth Hall. The only thing missing was the "ragtime" music critics. The reviews in the national press were rave, but they were by jazz or entertainment critics. This was a disappointment to Rifkin, now accustomed to being reviewed by "serious" critics in the States.

But he will be back in the spring for another go, and by that time, he hopes, the word about Scott Joplin will have trickled through to critics who review Rubinstein's Chopin.

Arts Agenda

Ruola Ghisleria will sing the title part and the British soprano Rita Hunter will sing Ophelia in a concert performance of Verdi's "Aida" on Jan. 11 at the Maison de la Radio in Paris. Francisco Ortiz and Vicente Sardinero will sing other principal parts and Pierre-Michel Le Conte will conduct. Radio's Lyric Orchestra and Chorus.

Verdi's "Don Carlos" will be given in two "original" versions—the French dating from its world premiere at the Paris Opéra, and the later Italian version by the composer—at the Théâtre Royal de la Monnaie in Brussels. Five performances of each version are scheduled from Jan. 11 to 20, with Elio Boncompagni conducting. Sandro Sequi sings and Thierry Bogues designs the production. The French version's cast will have Evelyn Sauer, Rita Gorr, Maurice Maerlyck, Manuel Gonzales and Nicolas Christou in the principal roles, and in the Italian, Eva Maria Krivtina, Svetlana Radkova, Renato Francesconi, Nicola Belfuso and Francesco Venturoli.

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An Abrupt End Feared For World Tourism

LONDON, Jan. 2 (AP-DJ).—The explosive growth in international tourism probably is coming to an abrupt end.

Caracas Asks Faster, More Nationalizing

CARACAS, Venezuela, Jan. 2 (AP-DJ).—Venezuelan President Rafael Caldera said last night that he wants foreign-held oil concessions to revert to the state as soon as possible and suggested that other fundamental industries must pass to national hands.

"I am convinced that the advancement of the nation is in all respects a national duty and even a national right," he said in a New Year's address.

The President did not indicate what, if any, steps would be taken by his outgoing government to advance the expiration date of concessions currently held by foreign oil companies and scheduled to begin expiring and reverting to the state in 1980.

Mr. Caldera, a Social Christian, was elected in 1969 and will turn over the government in March to Carlos Andres Perez, a member of the opposition Democratic Action party and winner of the Dec. 9 presidential election.

Mr. Perez has promised that he will advance the expiration date, but has not clarified how or when his government will take over the nation's 3.4 million-barrel-a-day industry, largely run by U.S. oil firms.

Mr. Caldera said the Ministry of Mines and Hydrocarbons through its investigations and studies of the future of the Venezuelan petroleum industry, has seen more and more clearly that this activity, fundamental to our economy, must pass to the hands of the national public sector.

Mr. Caldera said that the new Congress, which will meet in March, "will have the responsibility of adopting measures to speed the reversion."

Venezuela is the world's fifth largest petroleum producer and the third largest exporter. About 1.7 million barrels of its daily production is sold in the United States and another 800,000 barrels in Canada. About 270,000 barrels go to the Common Market and the remainder is sold in the Caribbean and Latin America.

New tax reference prices for Venezuelan oil went into effect yesterday, boosting the average price to \$14.08 a barrel, compared with \$7.74 in December and \$11.1 a year ago. The reference price, set unilaterally by the government each month, is used as a basis for figuring taxes and royalties paid by foreign oil companies.

Mr. Caldera also said he believes that it is time that several "fundamental industries" still in foreign hands pass to Venezuelan ownership.

become so big that any significant slowing of growth will hurt some countries' balance of payments. A slowdown would help the U.S. payments balance, however, because American tourists are more numerous and spend more abroad than anyone else.

A slowdown would affect businesses around the world from airlines to travel services to hotels.

An official of American Express says, "We are very, very concerned about the whole situation. There certainly won't be any increase in tourism in 1974. We're hoping it will just stay level with 1973—and that may be optimistic."

In the last 10 years, the number of tourists traveling outside their homelands soared to nearly 200 million from 80 million. Their spending, not counting international travel fares, more than tripled to \$34 billion from about \$7 billion and tourism became one of the biggest items in world trade.

In major part because of this growth, jumbo jets were purchased by airlines, lavish hotels were put up and other services ranging from car rentals to travel's checks were expanded.

But now a series of events, ranging from currency fluctuations and the Middle East war to higher-priced and inadequate supplies of jet fuel, is conspiring to brake tourist growth.

"This (combination of events) will prove to be the worst thing to hit tourism since World War II," says Charles Barnard, economist for the British Tourist Authority. "Tourism has just grown and grown, but now this trend is going to be shattered. There may be a decline, but even if there's just a leveling off, that's very serious because everyone has been planning for continued growth."

The Arab oil embargo, plus the sharp oil-price increases, means that airlines will not have enough fuel and the fuel they do get will cost much more.

As one countermeasure, airlines are cutting flights. Also, the International Air Transport Association (IATA), meeting in New Zealand, proposed an average 6 percent fare increase to cover rises in fuel costs this far.

But even before these developments, other factors were working against international tourism. One has been the effective downward devaluation of the dollar—about 20 percent over the past two years—making a vacation abroad much more expensive for Americans.

Travel agents, many of whom traditionally operate on paper-thin profit margins, might be the first casualties in the tourism slowdown. Also, resorts around the world whose patrons come by air, could also be hard-hit.

Then there is the impact on the balance of payments. The U.S. trade deficit increased by 116 percent in the 1960s, reaching \$27 billion in 1971. It has been projected to reach as high as \$5.3 billion by 1980, if there is continued fast growth in travel.

Any slowdown in growth would therefore be welcome news in Washington.

But countries like Italy, where the tourism industry reaps up bigger sales than Fiat's autos, could be badly hurt. Without the foreign currency tourists spent in Italy in 1972, the country's balance-of-payments deficit would have nearly doubled, according to the Italian central bank.

FINANCIAL NEWS AND NOTES

Bayer Unit Bid for Cutter Successful

Rhinechem Corp., a subsidiary of the West German chemical company Bayer AG, says its tender offer for Cutter Laboratories at \$18.50 a share has been successful. About 94 percent of the outstanding class A shares and 88 percent of the class B shares were tendered by Dec. 28, and all these shares are being purchased. The offer has now been extended until Jan. 18 and all shares duly tendered on or before that date will be purchased. If all the shares are tendered, the Bayer unit would pay out \$56.7 million.

Sandoz '73 Group Sales Rise

Sandoz group sales totaled slightly more than 3.6 billion Swiss francs in 1973 (about \$1.1 billion), up at least 6.5 percent from 1972. Calculated on the basis of January 1973 exchange rates, the sales growth rate was about 20 percent in 1973, up from 12 percent in 1972, says C.M. Jacotet, chairman of the Swiss pharmaceutical firm. Net income was at a satisfactory level despite parity changes and sharply rising energy costs, he says, without citing figures. The board is proposing to pay a 1973 dividend of 65 francs per share, unchanged from 1972.

Toyota Misses '73 Sales Target

Toyota Motor Sales Co. fell about 60,000 units short of achieving its 2.35 million-vehicles sales target for 1973. Shotaaro Kameya, president, at-

tributes the shortfall primarily to production difficulties that arose in midyear when shortages of various industrial raw materials appeared. Looking toward 1974, he notes that the oil crisis is having a substantial negative impact on demand for automobiles. In addition, forecasts of stagnation for the Japanese economy are certain to reduce institutional demand for vehicles, which still comprises a large percentage of overall demand. In these circumstances, he adds, Toyota plans to shift its emphasis toward improvements in quality rather than pursuing "growth for the sake of growth."

Sun Oil to Double Spending

Sun Oil Co. will almost double its rate of investment in 1974 to \$550 million. The money will be spent on locating new reserves, expanding and modernizing production, transportation and refining, and improving the environment. Sun's 1973 earnings are expected to continue the pattern of the first nine months, which means the company should earn a rate of return of approximately 7 percent on its assets. This would be higher than the 1969-72 average of 5.5 percent, but lower than the 1965-68 average of 8 percent. But the company says that "this is not an adequate improvement in profitability given today's cost of money, earnings in other industries, and essentiality of attracting massive new capital flows into expansion of oil and gas supplies."

Economic Stabilization Act Expires April 30

U.S. Studies Future of Wage-Price Controls

By James L. Rowe Jr.

WASHINGTON, Jan. 2 (UPI).—

A year ago, fresh from a set of successful wage and price controls but still highly doubtful of interference with free market economies, the Nixon administration boldly substituted a voluntary Phase-3 as a pretense to total decontrol.

Now, the administration is running a Phase-4 controls program stiffer than Phase-3, feeling its way very gingerly out of those controls, and talking favorably of the usefulness of some sort of body to continue to watch over wages and prices.

If the role that body would play were the only problem facing wage and price controllers, the decisions might not be too difficult. But the President's official, through the Economic Stabilization Act, to impose any sort of mandatory wage and price controls will expire April 30.

Treasury Secretary George P. Shultz has said he is reluctant to ask Congress for an extension of that authority for fear legislators would tack on crippling amendments.

John Dunlop, director of the Cost of Living Council, often mentions amendments pending or passed by Congress which affect some special interest group's compliance with price controls.

The expected economic slowdown this year certainly will be exacerbated by the energy crisis, a state of affairs which should lessen upward pressures on prices. But the energy shortage will also create a goods shortage in industries that rely upon oil as a raw material as well as in many that use it only as fuel.

"To decontrol those areas invites substantial price increases," concedes one top administration official. It also means, he said, that the strategy "we embarked on when we announced Phase-4" needs to be "looked at again."

That policy was one of gradual decontrol. With the complications of the energy crisis far from sorted out and the decontrol process still in its early stages, administration policymakers are holding off

making a decision on what to do about Phase-5 and on whether to request an extension of the Stabilization Act.

Privately, officials admit to a further complication: The administration's relationship with Congress is at a low ebb.

Meanwhile, pressure is mounting from business and labor to put an end to controls.

Meanwhile, wage earners are having a difficult time. Consumer prices increased 9.4 percent between November 1972 and November 1973, far outstripping pay rises. Workers have 2.3 percent less purchasing power than they did a year ago, according

to figures released by the Bureau of Labor Statistics.

Labor has opposed controls saying they have effectively held down wages while permitting prices to soar.

While there appears to be some sentiment for a wage-price controls panel designed to examine price and wage increases in the largest industries, the picture is muddled. Such a panel has been proposed by Federal Reserve Board chairman Arthur F. Burns.

Like the administration, one congressional aide said, legislators are still trying to sort out the economic impact of the energy crisis without worrying about wage and price controls.

Fat Executives Carry Less Weight According to Survey of Pay Scales

NEW YORK, Jan. 2 (AP).—Fat men don't fare well in landing higher-paying executive jobs, according to a survey by an employment agency that specializes in placing executives.

An overweight person may be losing as much as \$1,000 a year for every pound of fat, said Robert Hall, whose survey showed:

Among executives in the \$25,000-\$50,000 salary range, 9 percent were more than 10 pounds overweight.

In the \$10,000-\$25,000 executive range, 39 percent were more than 10 pounds heavier than the standards of normal weight established by insurance companies.

Mr. Hall attributed the finding to a prejudice against the overweight and what he held to be a false belief that they are not as good workers as slim persons. The overweight, he said, are unfairly stereotyped as slow, sloppy, inefficient, overindulgent and are less likely to be hired or promoted into important, high-paying jobs.

Dollar, Gold Surge in Europe On News of Oil Price Boosts

LONDON, Jan. 2 (AP).—Sharp increases in the price of Libyan and non-Arab oil announced during the New Year holiday sent the dollar surging upwards in European exchanges today while the price of gold jumped \$4.25 an ounce to a five-month high.

The dollar moved to its highest level in Paris since it was devalued by 10 percent last Feb. 12. In Frankfurt, it soared more than five pence to a seven-month peak.

Dealers said the European currencies weakened sharply on the assumption that the oil price increases will affect the United States to a much lesser degree than European countries.

The dollar closed in Frankfurt at 2,750 Deutsche marks, almost as high as the rate of 2,755 marks on May 28. At the February devaluation, the dollar was worth 2.95 DM.

The recovery has been even more dramatic in Paris. One dollar, worth 4.74 francs at the time of the devaluation, closed today at 4.88 francs.

Steepling, beleaguered by soaring costs of imported oil, industrial action by coal miners and train drivers and soaring inflation, meanwhile, dropped two cents to \$2.3058.

The price of gold at the afternoon fixing in London was \$116.50 an ounce, compared to Monday's \$112.25.

The Zurich gold market was closed today because of the holidays, but the price in Paris jumped 4 percent to an all-time peak, reaching 18,440 francs per kilo for the 12 1/2-kilogram ingot. The previous peak was 17,750 francs, set May 15.

One Dollar...

LONDON (AP-DJ).—The unit or closing interbank rates for the dollar here

	Jan. 2, 1974	Today	Prev.	Ch.
Swiss fr. (per \$1)	2.0852	2.0217	2.0217	-11.4
Belg. fr. (per \$1)	41.52	41.18	41.18	-6.8
Deutsche mark	2.754	2.7227	2.7227	-16.2
Danish krone	6.7377	6.7175	6.7175	-9.24
Scandin.	26.1	25.75	25.75	-11.4
Fr. fr. (per \$1)	4.84	4.87	4.87	+6.87
Fr. fr. (per \$1)	4.78	4.88	4.88	+13.73
Guides	2.853	2.827	2.827	-9.1
Israeli pound	4.38	4.30	4.30	-18.2
Lira (per \$1)	622.0	619.0	619.0	-4.8
Lira (per \$1)	615.0	607.5	607.5	-12.5
Peseta	166.325	166.175	166.175	-9.0
Schilling	20.83	19.8	19.8	-5.23
Sw. krona	4.6757	4.575	4.575	-2.08
Sw. krona	4.6757	4.575	4.575	-2.08
Yen	360.53	350.18	350.18	-28.35

* Percentage change against the dollar from central rates set by the 1971 Smithsonian agreement as calculated by Morgan Guaranty Trust Co. The figures are based on currency quotations in New York.

A. Free & Co. Commercial.

N.A.: Not available.

Commodity Cost Rise Mars Inflation Outlook

By Edwin L. Dale Jr.

WASHINGTON, Jan. 2 (NYT).

An ominous new rise during the last two months in prices of commodities—things grown on the earth or dug from the earth—has increased prospects for inflation in 1974, in the view of private and government economists.

The Hugo inflation of 1973, the worst in peacetime in the modern era, was in great measure a "commodity inflation" the first of its kind since the Korean war in 1951. Raw materials of all kinds, farm and nonfarm, soared in price all over the world, quite apart from the separate explosion of oil and energy prices.

This kind of inflation is entirely different, for example, from an inflation caused by big increases in wages, which push up prices.

After reaching a peak in mid-August, the various indexes of commodity prices, food and non-food, began what seemed to be an encouraging decline. But the turnaround came at the end of October and since then the movement has been upward.

"We are not altogether surprised," says Gary L. Severn, a member of the Council of Economic Advisers, "but naturally we do not like it."

He and others say there is no way of knowing how long the new trend may last. A number of conflicting forces are at work on commodity prices, and they vary from item to item.

In the last week of the year, prices of some non-farm commodities began to decline on the London and other world commodity markets. But farm and food prices have shown no real sign of dipping again.

Wheat is again trading above \$2 a bushel, an unheard-of price until last year, after dropping well below that level. Live cattle prices, which were down to \$40 a hundred pounds or below, are now close to \$50 on the futures market.

As compared with a year ago, these are some other examples of the price explosion: Natural rubber—up 157 percent, follow-up 119 percent, tin—up 85 percent, zinc—up 45 percent, cocoa beans—up 69 percent.

The general explanation for the commodity inflation of 1973 was booming world demand, with all industrial countries experiencing strong business expansion at once, and supply shortages of some items for various reasons. These ranged from strikes in Chile, affecting the price of copper, to the U.S. price freeze that affected the supply of cattle moving to feed lots.

In addition, the devaluation of the dollar against the other leading currencies had the effect of raising the price of some world-traded commodities in the United States.

The recent renewed rise of commodity prices, together with

Gold Shares Lead Modest Rally in N.Y.

But Volume Slackens Awaiting Peace Talks

NEW YORK, Jan. 2 (NYT).—Prices on the New York Stock Exchange began the new year on a winning note today with gold mining shares taking top honors following a sharp jump in the price of gold bullion in London.

Some analysts attributed the overall strength to an inflow of traditional, new year investment money, while others believed that the advance was more the result of internal factors due to big losses in the last two weeks of 1973.

Auto shares, however, bucked the trend, generally losing small fractions.

The Dow Jones industrial index gained 4.46 to 855.32. The index had been down about three points in earlier trading.

Volume totaled 12.06 million shares compared to 23.47 million traded Monday.

Brokers said many investors and institutional traders sat on the sidelines, waiting to see which way the market was going to go.

Some analysts said many of those who sat out were keeping their attention focused on developments at the Geneva Peace talks now that the Israeli elections were completed. They said there is still much uncertainty about the course the Israeli government may take.

In the gold group, Homestake Mining shot up 10 3/8 to \$11 1/4. Dome Mines 15 to 168 1/2. Campbell Red Lake 6 3/4 to 63 3/4. And ASA 7 3/4 to 75 3/4.

Other strong features included Kennecott Copper, up 1 1/2 to 45 3/4; Natamex, ahead 1 1/8 to 75 3/4; Reading & Bates, up 3 5/8 to 44 7/8. Atlantic Richfield rose 2 1/8 to 110 7/8. Exxon 2 5/8 to 86 1/2. Standard of Indiana 1 1/4 to 105.

Polaroid rose 2 1/8 to 72. Micro-Copy Systems 1 3/8 to 9 1/2. International Mining 2 1/2 to 17. And Du Pont 1 1/2 to 160 1/2.

On the other hand, Texas Instruments fell 1 1/8 to 106 1/4. Burroughs 2 1/8 to 205 1/4. Schering-Plough 1 1/2 to 70. Sperry Rand 1 1/2 to 42 3/4 and Dole 1 1/4 to 24 1/2.

The American Stock Exchange index rose 0.68 to 81.02. Right-Hargreaves Mines, the most active issue, climbed 15.16 to 25 5/8. McCulloch Oil rose 7 3/8 to 6.

Also active were Giant Yellowknife Mines, up 3 to 13 3/4, and Texas International, unchanged at 11 3/8.

In over-the-counter trading, the NASDAQ index of industrial shares rose 0.67 to 84.24.

Markets Shut

The Zurich stock exchange remained closed Wednesday as part of the New Year holidays. In Japan, financial markets and businesses are shut for the year-end bank holiday. The Tokyo stock exchange will reopen Friday.

Euro Is Worth...

Jan. 2, 1974
As calculated by the Luxembourg Stock Exchange the Euro was today worth:

	Jan. 2, 1974	Today	Prev.	Ch.
DM	3.16077	3.16077	3.16077	0.00000
French F.	5.47562	5.47562	5.47562	0.00000
Italian L.	2036.267	2036.267	2036.267	0.00000
Belgian B.	40.33994	40.33994	40.33994	0.00000
Dutch G.	3.60636	3.60636	3.60636	0.00000
Spanish P.	166.639	166.639	166.639	0.00000
Portuguese Esc.	200.482	200.482	200.482	0.00000
Irish P.	7.87564	7.87564	7.87564	0.00000
Swedish Krona	4.67564	4.67564	4.67564	0.00000
Norwegian Kr.	4.75564	4.75564	4.75564	0.00000
Denish Kr.	6.73564	6.73564	6.73564	0.00000
Yen	360.53	350.18	350.18	-28.35

Energy Cuts Threaten Semiconductor-Makers

SAN FRANCISCO, Jan. 2 (AP-DJ).—The energy crunch is aiming a potentially devastating blow at the U.S. semiconductor industry, which supplies vital components for all modern electronic equipment.

The sudden and critical problem looms because semiconductor makers are heavily concentrated in the Santa Clara valley just south of here. Local shortages of natural gas and fuel oil promise to force a sharp reduction in 1974 in electrical power, which is essential for semiconductor production.

Robert Noyce, president of Intel Corp., a semiconductor maker near here, estimates that 90 percent of the nation's output of semiconductors comes from Santa Clara County.

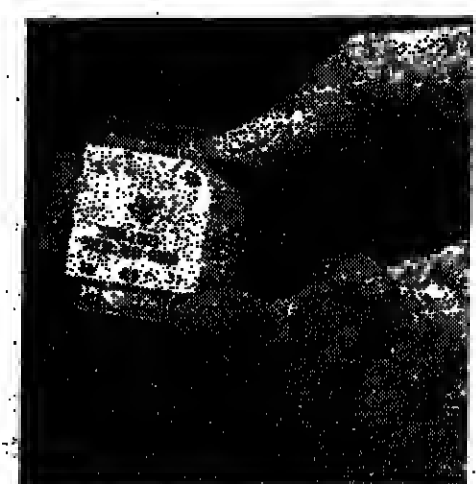
Semiconductors are the tiny, solid devices that have come into wide use since World War II as replacements for vacuum tubes and other bulky switching and amplifying devices. They range from simple transistors and diodes used in radios to the highly sophisticated, minuscule integrated circuits used in computers, color-television sets, and military and space hardware.

The threat of interrupted growth for semiconductor makers could have wide repercussions. Producers say shortages of the devices could lead to severe economic dislocations in other industries that depend on them.

One customer, Ampex Corp., a California-based maker of video and other electronic equipment, says any cutbacks in semiconductor supplies "would hit our plants in Belgium, Japan, everywhere." Ampex already is waiting longer for deliveries of semiconductor components than it ever has—in some cases, up to 50 weeks. The delay reflects the record backlog of orders that semiconductor producers say is built up despite major expansions of capacity in 1973.

If there is power rationing in California, the bigger and older companies generally appear better off than the younger, smaller ones.

Fairchild Camera & Instrument, based in Mountain View, Calif., a leading semiconductor maker, only used 8 percent more



Semiconductors are used for complex integrated circuits, as above, which have hundreds to thousands of circuits on tiny silicon chips.

electricity in its main plant in 1973 than in 1972, C. Lester Hogan, president, says.

The major semiconductor makers outside California do not see any serious energy squeeze. Dallas-based Texas Instruments and Motorola Inc.'s semiconductor-products division in Phoenix say they do not anticipate any harmful power shortages in 1974.

Many semiconductor companies here, however, have doubled their production in the last year. Forcing them to cut their power usage 10 percent would be "an impossible situation," says Charles E. Spork, president of National Semiconductor Corp. of Santa Clara.

His own company has grown 70 percent in the period, and a 10 percent power cutback "means a 60 percent reduction in our production," he says. "It means a complete disaster in the electronics industry. We'll have unemployment in this country like we've never

seen before. If you take away semiconductors, you stop everything."

Semiconductors are made in electric furnaces that are kept at some 2,000 degrees Fahrenheit around the clock. There is only one supplier of that electricity here—Pacific Gas & Electric, which says that shortages of natural gas have forced it to seek additional oil to fuel its generators but that it cannot get the oil.

As a result, the utility is urging all its customers to cut power consumption by 10 percent from a year earlier. "If the requests for voluntary cutbacks aren't satisfactory, there will have to be mandatory cutbacks of 10 to 15 percent or whatever, depending on fuel," a spokesman for the utility says. "And beyond the mandatory cutbacks, there would be sequential interruptions either on top of or in place of the cutbacks."

The sequential interruptions, also called rolling blackouts, would be elamped on specific neighborhoods or regions for a few hours at a time. Semiconductor makers say these would be especially disastrous because unscheduled power interruptions of more than 30 minutes at a time will destroy the expensive quartz things in their electric furnaces.

Even though the semiconductor industry, because of its growth, is consuming 20 percent more power than a year ago, there have not been any commitments made to give any industry favored status.

A spokesman for the utilities commission says:

"They (semiconductor makers) are asking for favored treatment. The building industry is asking

New York Stock Exchange Trading

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